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## **Millions available for deposit in Vt. banks for lending**

### STAFF REPORT

The state treasurer's office announced plans Tuesday to deposit millions of dollars in Vermont banks to encourage consumer and business loans.

The Federal Deposit Insurance Corp. Transaction Account Guarantee Program allows participating financial institutions to provide guaranteed coverage on specific types of large short-term deposits.

"The money available for deposit is from the state of Vermont's short-term operating fund — funds that vary depending on the financial needs of the state," State Treasurer Jeb Spaulding said. "By utilizing the FDIC program, we can provide area banks with the opportunity to put this money to work for their customers and at the same time allow us to earn interest on the funds in a secure environment."

The treasurer's office this month made available more than \$13 million in short-term deposits. The state will withdraw its money by the end of the month.

Spaulding said the state is receiving a short-term interest rate of 0.5 percent.

The FDIC program is in effect through Dec. 31.

Spaulding said. "Programs like this can help insured banks increase their lending to consumers and businesses and help support our Vermont economy."

The state already has its Bank in Vermont program which invests money in certificates of deposit for a specified period of time.

Banks eligible to accept deposits under the FDIC program must certify they are participating in the special program and have branch operations in Vermont.

Spaulding said that three banks have expressed interest in the program to date: Citizens Bank, Connecticut River Bank N.A. and KeyBank.