



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

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Five Vermont Banks Win Investments From State

Montpelier – Five banks in Vermont received a total of \$5 million in investments this week from the State of Vermont as part of an initiative by State Treasurer Jeb Spaulding to invest a significant portion of the State's short-term funds within Vermont.

Spaulding unveiled the *Treasurer's Bank in Vermont Program* last summer in order to support community banking, while earning a competitive return on State funds. Approximately \$30 million of State funds are available for bid on an ongoing basis by banks with branches in Vermont. Bids are accepted through the Internet on the first Wednesday of each month. The Treasurer's Office invests in bank CDs based on rank order of quoted bid rates and associated dollar levels until available funds are depleted for each scheduled bidding period.

During January's round of bidding, seven banks submitted bids. Five were successful and received investments from the State Treasurer's Office. They were Randolph National Bank, Mascoma Savings Bank, Chittenden Trust Company, Banknorth, and First Community Bank of Woodstock. Fifteen banks have now qualified for participation and ten banks have received investments under the *Treasurer's Bank in Vermont Program*.

"We now have \$30 million dollars - money that would have gone out of state - invested in a number of Vermont banks that have strong records of community support. Since we are also getting a better return on our investments, I would have to say this new program is meeting or exceeding our expectations," Spaulding explained.

Historically, the State's short-term cash has been invested primarily out of state in government agency securities, high quality corporate commercial paper, and money market accounts at large financial institutions.

According to Spaulding, "The program is designed to be attractive to the wide range of banking institutions in Vermont, and is predicated on the belief that investing Vermont funds in Vermont, consistent with earning a competitive rate of return, is a good policy."

"I am pleased that the number of participating banks is increasing because they all have shown a true commitment to supporting local families, businesses, and communities," stated Spaulding.

The *Treasurer's Bank in Vermont Program* is one example of Treasurer Spaulding's ongoing efforts to seek out investment opportunities that support Vermont community and economic development while earning an appropriate return. Other examples of this commitment include investments in the Vermont Community Loan Fund and the Vermont Development Credit Union. In addition, the three investment firms used by the Treasurer's Office to manage longer term funds are all based in Vermont. They are National Life Capital Management, Hanson Investment Management, and Prentiss Smith & Company.

For complete information about the *Treasurer's Bank in Vermont Program*, go to www.vermonttreasurer.gov.

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