



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

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Treasurer's Office Utilizes Federal Program to Keep Tax Dollars at Work

MONTPELIER, Vt.—In a move to keep Vermont tax dollars at work, the State Treasurer's Office has announced plans to make millions of dollars in short-term deposits available to area banks as a source of working capital. By utilizing a federal program designed to promote liquidity in the national economy, these deposits by the State will be fully guaranteed by the Federal Deposit Insurance Corporation or FDIC.

In October, the FDIC created the Transaction Account Guarantee Program (TAGP). The program allows participating financial institutions to provide customers with full coverage on specific types of transaction accounts. The FDIC hopes such guarantees will encourage more deposits and help increase the amount of funds available for lending to consumers and businesses.

"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," said State Treasurer Jeb Spaulding. "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."

In April, the Treasurer's Office made available more than \$13 million in deposits. Those deposits will be withdrawn by the end of the month. The FDIC program offering full coverage is in effect through December 31, 2009.

"My hope is that we will have funds to deposit again in this type of account later this year. Programs like this can help insured banks increase their lending to consumers and businesses and help support our Vermont economy," said Spaulding.

Banks eligible to accept the deposits must certify they are participating in the TAGP and be based in or have branch operations located in Vermont. To date, three banks have expressed interest in the program. They are Citizens Bank, Connecticut River Bank N.A., and KeyBank.

Banks interested in participating in the program should contact the Treasury Operations Division of the State Treasurer's Office at (802) 828-2301 or toll-free in Vermont at (800) 642-3191.