

PROGRAM: New Mexico Financial Institutions Certificate of Deposit Program (CD)

AGENCY: New Mexico State Investment Council (SIC)

DESCRIPTION: Allows New Mexico financial institutions access to the Severance Tax Permanent Fund.

ELIGIBLE USES:

- The financial institution's asset is the loan provided and the financial institution's liability is the state deposit.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Allows financial institutions to obtain the liquidity necessary to provide fixed asset, long-term financing at a fixed interest rate.
- Maturities: Not to exceed eight years, four years by SIC policy, depending on the financial condition of the depository and the investment objectives of the SIC.

QUALIFICATION CRITERIA/COMMENTS:

- Deposits may be made in qualified New Mexico banks, savings and loans, and credit unions as well as branches of lenders outside New Mexico, as determined by the State Investment Officer.
- Financial institutions will be rated according to the following criteria:
 - Primary capital/asset ratio,
 - Net income/total average assets ratio,
 - Non-performing loans/primary capital ratio, and
 - The level of risk as assigned to an appropriate level of collateralization.
- SIC policy currently limits CDs to \$35 million per depository.
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