

781—13.9(12C) Suspension or termination of approved custodian designation.

13.9(1) An approved custodian may request in writing that the treasurer remove its designation as an approved custodian. Following such a written request, the Master Custodial Agreement for the Deposit of Public Funds in Banks shall terminate pursuant to the terms of those agreements provided; however, no such agreement shall terminate until the pledging bank(s) has secured the services of another approved custodian and all pledged collateral has been properly withdrawn and placed in safekeeping with the successor custodian.

13.9(2) If the treasurer determines that an approved custodian has violated any provisions of Iowa Code chapter 12C, or any other documents or agreements as prescribed by the treasurer, or has failed to fulfill its duties or otherwise committed a breach or default as set out in the Master Custodial Agreement for the Deposit of Public Funds in Banks, the treasurer may immediately suspend or terminate an approved custodian's designation as an approved custodian. The treasurer shall provide the suspended or terminated approved custodian with written notice of its suspension or termination. Upon suspension or termination, each pledging bank utilizing the services of the suspended or terminated approved custodian shall immediately secure the services of another approved custodian, and all pledged collateral shall be immediately withdrawn and placed in safekeeping with the successor approved custodian.