

781—13.11(12C) Suspension or termination.

13.11(1) If the treasurer determines that a pledging bank 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 Pledge and Security Agreement or the Securities Account Control Agreement, or applicable federal deposit insurance coverage is suspended or terminated, the treasurer may immediately suspend or terminate a pledging bank's ability to accept uninsured public funds. The treasurer shall provide the suspended or terminated bank and the superintendent with written notice of its suspension or termination. Upon suspension or termination, all uninsured public funds held by the suspended or terminated pledging bank in excess of federal deposit insurance coverage shall be immediately remitted, with interest, to the applicable public unit(s).

13.11(2) Public units having public funds on deposit at a terminated or suspended pledging bank shall be notified of the termination or suspension of a pledging bank by notices included in the monthly rate-setting notice posted on the treasurer's Web site.