



Promontory Interfinancial and Reich & Tang Approved by Office of the State Treasurer as a Third-Party Service Provider

ATLANTA, September 30, 2019 – John McNair, President and CEO of [Community Bankers Association of Georgia](http://www.cbaofga.com) has received notification from the Office of the State Treasurer (OST) that Promontory Interfinancial Network <https://www.promnetwork.com/> and Reich and Tang <https://www.reichandtang.com/> have received approval to commence operations in Georgia.

“CBA is greatly appreciative of the fast application approval turnaround by the Office of the State Treasurer,” said Mr. McNair. “SB157 levels the playing field for Georgia’s community banks to fairly compete for local municipal deposits with large out of state deposit gathering institutions. The additional liquidity will translate into billions of dollars of new loans for individuals, small businesses, and farmers. We wish to thank Governor Kemp for his strong support of the bill as well the entire General Assembly- which voted unanimously to pass.”

In May 2019, Gov. Brian Kemp signed into law Thursday a bill that would allow community banks to accept public funds that exceed the \$250,000 on federal deposit insurance without having to put up higher amounts of collateral for them. The bill cleared both the state’s House of Representatives and Senate unanimously.

Specifically, the new law lets banks use third-party deposit-placement providers, including Promontory Interfinancial and Reich & Tang, to split large-dollar deposits among multiple banks so that they are covered by deposit insurance.

CBA estimates that banks hold about \$22 billion in public deposits from local municipalities. More than 80% of those funds are held by large banks, which can more easily absorb the cost of collateral. The issue has become increasingly important recently as many banks in the state have struggled to attract enough deposits to keep pace with surging loan demand. Loan-to-deposit ratios at Georgia banks stood at 93.07% as of June 30, 2019, according to Federal Deposit Insurance Corp. data.

“Now that our member banks are free from strict collateral requirements, they can be more aggressive about bidding for public deposits that they can then be used to stimulate economic development. We’re looking forward to the many success stories across the state,” Mr. McNair explained.

Contact CBA at (770) 541- 4490 or visit www.cbaofga.com.

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Contact: Lindsay Greene
Vice President, Member Services & Marketing
CBA of Georgia
[770.541.0376](tel:770.541.0376) | Lindsay@cbaofga.com