



**Office of the Illinois State Treasurer**  
**INVEST IN ILLINOIS**  
**COMMUNITY INVEST - CANNABIS BANKING SERVICES**

*PROGRAM APPLICATION*

Application to participate in the Office of the Illinois State Treasurer's Invest In Illinois: Community Invest - Cannabis Banking Services Program. This form is to be completed by a person authorized to represent the Financial Institution seeking to obtain funding for the express purpose of creating and implementing a cannabis-related business banking and savings program. The information on this form, and required business plan, will allow the Office of the Illinois State Treasurer (the "Treasurer") to determine eligibility for participation in the program.

**Section 1**

**APPLICANT/FINANCIAL INSTITUTION INFORMATION**

Name of Financial Institution: \_\_\_\_\_

Financial Institution Address: \_\_\_\_\_

Authorized Representative (Printed): \_\_\_\_\_

Title: \_\_\_\_\_

City, County, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

F.E.I.N.: \_\_\_\_\_

How did you hear about the program? \_\_\_\_\_

Financial Institution Cannabis Deposit Portfolio:

- Please tell us what counties the branches are located that will accept cannabis deposits, if any?

\_\_\_\_\_  
\_\_\_\_\_

- Are any of these branches located in a low-income community, as defined by the Community Development Financial Institutions Fund?  Yes  No

If yes, how many: \_\_\_\_\_

- How many total counties does your financial institution serve with all your programs and branches?

\_\_\_\_\_

**Section 2**

**PROJECT INFORMATION** *Please be as accurate as possible with your responses below. While some of these questions may be addressed in your business plan, make sure to fully answer the questions below.*

A. Attach a detailed business plan at the time of application, including, but not limited to the following:

- Community Development Goals
- Target Market and On-Boarding Strategy
- Risk Assessment and Mitigating Strategies
- Personnel Recruiting and Professional Development
- Compliance and Due Diligence
- Financial Forecasts/Sustainability
- Implementation Timeline

B. List any consultants or third parties which have been or will be under contract with the Financial Institution to develop or implement any portion of this project. Please attach the scope of work for any identified consultant or third party.

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C. Estimated number of new jobs created to implement the cannabis banking program?

\_\_\_\_\_ Full-Time \_\_\_\_\_ % F \_\_\_\_\_ % M  
\_\_\_\_\_ Part-Time \_\_\_\_\_ % F \_\_\_\_\_ % M  
\_\_\_\_\_ Seasonal \_\_\_\_\_ % F \_\_\_\_\_ % M

D. Types of Cannabis-Related Business (es) ("CRB") you plan on serving:

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E. Financial Forecast (answer to the best of your ability):

Estimated deposit activity in first year: \_\_\_\_\_

F. Financial Institution & Community Benefits (check all that apply):

- Access to liquidity
- Grow banking operation
- New line of service opportunity
- Below market rate funds
- Create jobs
- Other \_\_\_\_\_

### Section 3

#### FINANCIAL INSTITUTION CERTIFICATIONS & ACKNOWLEDGEMENTS

Dear Treasurer Frerichs:

\_\_\_\_\_ (Authorized Representative) of \_\_\_\_\_ ("Financial Institution") hereby applies for a deposit under the Office of the Illinois State Treasurer's Invest In Illinois: Community Invest-Cannabis Banking Services Program ("Program"). Financial Institution acknowledges that, in order to participate in the Program, Financial Institution must meet the following requirements: (1) agree to open and maintain Cannabis-Related Business ("CRB") banking and savings accounts (2) commit to a 2-year deposit term with the Treasurer; (3) provide a detailed business plan as required above; (4) maintain a CRA rating of Satisfactory or above, or is a credit union that does not receive a CRA rating; and (5) maintain an IDC Financial Publishing, Inc. ("IDC") rating of at least 125, or receive a written exception granted by the Treasurer's Deputy Treasurer and Chief Investment Officer.

Financial Institution further acknowledges that it must collateralize all deposits in accordance with the Treasurer's Acceptable Collateral Listing: List of Financial Assets Qualified for Collateral to Secure Deposits and Repurchase Agreements (located on the Treasurer's website). Further, Financial Institution acknowledges that if an IDC rating exception is granted to Financial Institution, Financial Institution must collateralize all deposits at 110% and in the form of Federal Home Loan Bank Letter of Credit ("FHLB LOC") and Non-Mortgage-Backed ("NMB") U.S. Treasury and U.S. Agency securities.

I hereby attest and certify that the following statements are true and accurate:

1. My role as \_\_\_\_\_ (title) at this Financial Institution authorizes me to execute this application on behalf of Financial Institution;
2. I am authorized to act on behalf of Financial Institution and have authority to bind Financial Institution.

3. I have such familiarity with the business and affairs of Financial Institution so as to be able to knowledgeably make the statements set forth in this attestation and certification;
4. I understand that the Treasurer requires Financial Institution to submit a detailed business plan and provide satisfactory explanations to the Treasurer to determine whether Financial Institution will be granted a deposit under the Program;
5. I understand that the Treasurer will rely, in part, on the statements set forth herein and in the detailed business plan in determining whether Financial Institution will be granted a deposit under the Program and such statements must be accurate;
6. Financial Institution has an IDC rating of at least 125, or the Treasurer's Deputy Treasurer and Chief Investment Officer granted Financial Institution a written exception from the IDC rating requirement;
7. Financial Institution (a) has a CRA rating of Satisfactory or above, or (b) is a credit union that does not receive a CRA rating;
8. The Treasurer will provide a spread representative of the Federal Reserve Bank's current Interest Rate on Excess Reserves ("IOER") minus 74bps;
9. The spread will adjust to the current IOER rate minus 64bps on January 1, 2020;
10. If Financial Institution participates in another qualifying economic development program as determined and approved by the Treasurer, the spread for the funds provided under this Program could be adjusted to the current IOER minus 74bps for the remainder of the 2-year deposit, and 84 bps until January 1, 2020. These rates will not go into effect until Financial Institution is approved to participate in the other qualifying program(s), loans are ready to be made to consumers in accordance with those program guidelines, and the Treasurer confirms in writing the effective date of the rate change.
11. The Community Development Deposit rate will reset monthly on the 1<sup>st</sup> day of the month;
12. Financial Institution will commit to a 2-year deposit term;
13. Financial Institution agrees the funds provided by the Treasurer will be used to assist in offsetting the costs of creating and implementing a cannabis related business banking and savings program to serve the legal cannabis industry.
14. Financial Institution agrees it will have a CRB banking program ready for CRBs to start opening accounts within 90 days of receipt of funds from the Treasurer ("Go Live Date"). The Treasurer, in its sole discretion, may approve an extension of time for the Go Live Date if Financial Institution requests such an extension in writing. Should Financial Institution fail to have a CRB banking program ready for CRBs to start opening accounts on the Go Live Date, or any later date pursuant to an extension granted in accordance with this paragraph 13 ("Extension Date"), both principal and interest shall be due and payable in full to the Treasurer on the calendar day immediately following the Go Live Date or Extension Date.
15. Financial Institution will collateralize all deposits in accordance with the Treasurer's Acceptable Collateral Listing: List of Financial Assets Qualified for Collateral to Secure Deposits and Repurchase Agreements, available at:  
  
<https://illinoistreasurergovprod.blob.core.usgovcloudapi.net/twocms/media/doc/acceptablecollaterallisting20150602.pdf>
16. If an IDC rating exception was granted to Financial Institution, Financial Institution will collateralize all deposits at 110% and in the form of: FHLB LOC, and NMB U.S. Treasury and U.S. Agency securities;
17. Financial Institution is an approved depository with the Treasurer and has completed all required documentation, including a Deposit Agreement between Financial Institution and Treasurer.
18. Financial Institution will provide Treasurer with a copy of the fee schedule to be imposed on accounts related to this Program five business days prior to launch of the Program, and at any subsequent time the fee schedule changes.
19. Financial Institution understands that it is required to submit quarterly and annual reports to the Treasurer providing, at a minimum, the banking services provided, counties being served, number of cannabis-related businesses, number of cannabis-related accounts, estimated deposits, transactions, and other economic impact data including any such data requested by the Treasurer.
20. Financial Institution recognizes the Treasurer finds this partnership critical to enhancing community development by reducing the risks and limitations associated with cash based businesses and enhancing the safety of our communities by ensuring legal CRBs can open and maintain bank accounts, and that the Treasurer wants to educate and support the community by promoting

the partnership of the Treasurer and Financial Institution; however, the Treasurer also recognizes the concerns of Financial Institution to keep proprietary and trade secret information confidential, to the extent allowed under Illinois law.

21. Financial Institution understands the Treasurer does not assume any liability for acts or omissions of Financial Institution. This liability rests solely with Financial Institution.
22. Financial Institution understands that in order to receive State funds for this Program, Financial Institution must be an approved Depository and have executed a Deposit Agreement with the Treasurer, and if the Deposit Agreement is terminated by the Treasurer for any reason, the State funds provided under this Program may be withdrawn by the Treasurer.

### Deposit Request

The aggregate amount of deposit requests cannot exceed 10% of the total deposit size of Financial Institution. Financial Institution will be contacted to finalize the **deposit amount, term, rate, and deposit date** upon completion of the Treasurer's review and approval process and the receipt of all required documentation from Financial Institution.

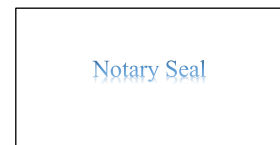
1. Amount of Deposit: \$ \_\_\_\_\_
2. Term of Deposit: 2 years

Financial Institution acknowledges that the Treasurer may withdraw this deposit at any time upon 30 calendar days' advance notice. Both principal and interest will be due on the 30<sup>th</sup> calendar day following such notice of withdraw, or as mutually agreed to in writing by the parties.

Authorized Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**SUBSCRIBED and SWORN to before me (Notary signature date should match that of the authorized representative signature date)**

(Notary Public Signature) \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



**Please return this completed application and business plan to:**

**Illinois State Treasurer Michael W. Frerichs**  
**Invest In Illinois: Community Invest Program**  
**400 West Monroe St., Ste. 305**  
**Springfield, Illinois 62704**  
**Phone: (866) 458-7327 • Fax: (217) 558-3793**  
[www.illinoistreasurer.gov](http://www.illinoistreasurer.gov)  
[Investinillinois@illinoistreasurer.gov](mailto:Investinillinois@illinoistreasurer.gov)