



OFFICE OF THE ILLINOIS STATE TREASURER  
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## Invest In Illinois Rate Methodology

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Invest in Illinois is a collection of impact investment programs offered by the Office of the Illinois Treasurer (“Treasurer”) – (1) Ag Invest, (2) Community Invest, and (3) Business Invest – that provide impact deposits to lending institutions to finance business expansion, provide consumer loans, assist with farm-related expenses, and fund other important economic development activities. By providing access to State investment capital at a below market rate, ***Invest in Illinois incentivizes financial institutions to lend to groups marginalized by limited loans or high-interest rates at a lower cost to borrowers.***

### Rate Methodology for Invest in Illinois – Ag Invest, Business Invest, Community Invest *(excluding Community Invest: Cannabis Banking Services)*

- 50% of the applicable deposit maturity, 30 day moving average
  - C0841Y BFV USD United State Government Agency 1 year
- 55% of the applicable deposit maturity, 30 day moving average
  - C0842Y BFV USD United State Government Agency 2 year
  - C0843Y BFV USD United State Government Agency 3 year
- Fixed term rates to reset on the 1<sup>st</sup> business day of the month.
- 1-year, 2-year, and 3-year fixed terms available
- Rates associated with 3-year deposit term shall not be lower than 2-year deposit term rates
- **Funding availability may vary depending on the need to maintain sufficient liquidity or on current market conditions.**
- Deposits allocated to financial institutions shall either be no more than \$65,000,000, or 10% of the institution’s deposits, whichever is less.
- Collateralized in accordance with our prescribed guidelines.

### Community Invest: Cannabis Banking Services

- Rate shall be the spread representative of the current Federal overnight Excess Funds rate minus 64bps but shall not be lower than .01% (0.0001).
- Variable monthly rates, reset on the 1<sup>st</sup> business day of the month.
- 2-year variable term available.
- Utilization of Community Invest: Cannabis Banking Services program will not count towards program limits on each financial institution.
- Deposits allocated to financial institutions shall either be no more \$65,000,000, or 10% of the institution’s deposits, whichever is less.

- Collateralized in accordance with our prescribed guidelines.
- Deposits are available in \$5mm increments but shall not exceed \$50mm.

After a prudent analysis and evaluation of the market environment, competitive forces, economic conditions, and intended objectives, effective 09/04/2024, the rate methodology is adjusted as follows:

Deposit Rate Methodology: Basis and Market Environment Updated 09/04/2024

- Current methodology for community development linked deposits: 50% of the U.S. Agency Security 1 year security and 55% of the U.S. Agency Security 2- and 3-year security.
- Current rate structure for State Treasurer’s Community Development Linked Deposits 09/04/2024:
  - 1 Year: 2.32%
  - 2 Year: 2.32.%
  - 3 Year: 2.32%
- Current rates for U.S. Treasury securities Daily Treasury Par Yield Curve Rates ([US Department of the Treasury](#)) 09/04/2024:
  - 1 Year: 4.23%
  - 2 Year: 3.76%
  - 3 Year: 3.63%
- Current rates for U.S. Agency securities (US Agencies Curve - Bloomberg) 09/04/2024:
  - 1 Year: 4.4231%
  - 2 Year: 3.8579%
  - 3 Year: 3.6753%
- Current rate structure for wholesale funding (Community Fixed Rate Advance) from the Federal Home Loan Bank ([Federal Home Loan Bank of Chicago](#)) 09/04/2024:
  - 1 Year: 4.30%
  - 2 Year: 3.86%
  - 3 Year: 3.73%
- Current rate structure for wholesale funding (discount window primary credit) and interest in reserve balances from the Federal Reserve Bank System Discount Window Primary Credit ([Federal Reserve Bank System – Primary Credit](#)) and ([Federal Reserve Bank System - Reserve Balances](#)) 09/04/2024:
  - Primary Credit: 5.50%
  - Interest Rate on Reserve Balances: 5.40%
- 3 prominent STO linked deposit depositories and cost of “time deposits over \$250,000” ([Call Report Data](#) as of 06/30/2024):
  - STO-Affiliated Institution #1: Carrollton Bank – 4.39%
  - STO-Affiliated Institution #2: Peoples National Bank, NA, Mt. Vernon – 3.26%
  - STO-Affiliated Institution #3: Banterra Bank, Marion – 4.45%
- 3 prominent STO linked deposit depositories and cost of “fed funds purchased and repo” ([Call Report Data](#) as of 06/30/2024):
  - STO-Affiliated Institution #1: Carrollton Bank – N/A
  - STO-Affiliated Institution #2: Peoples National Bank, NA, Mt. Vernon – 5.29%
  - STO-Affiliated Institution #3: Banterra Bank, Marion – N/A

- 3 prominent STO linked deposit depositories and cost of “other borrowed money” ([Call Report Data](#) as of 06/30/2024):
  - STO-Affiliated Institution #1: Carrollton Bank – 0.00%
  - STO-Affiliated Institution #2: Peoples National Bank, NA, Mt. Vernon – 5.63%
  - STO-Affiliated Institution #3: Banterra Bank, Marion – N/A
- 3 prominent STO linked deposit depositories and cost of “other interest expense” ([Call Report Data](#) as of 06/30/2024):
  - STO-Affiliated Institution #1: Carrollton Bank – N/A
  - STO-Affiliated Institution #2: Peoples National Bank, NA, Mt. Vernon – N/A
  - STO-Affiliated Institution #3: Banterra Bank, Marion – 4.55%
- 3 random Illinois-based community depositories and cost of “time deposits over \$250,000” ([Call Report Data](#) as of 06/30/2024):
  - Random Institution #1: Blackhawk Bank & Trust, Milan 4.03%
  - Random Institution #2: Bank of Springfield – 4.72%
  - Random Institution #3: First Mid-Bank & Trust, Mattoon – 3.13%
- 3 random Illinois-based community depositories and cost of “fed funds purchased and repo” ([Call Report Data](#) as of 06/30/2024):
  - Random Institution #1: Blackhawk Bank & Trust, Milan 4.35%
  - Random Institution #2: Bank of Springfield – 1.73%
  - Random Institution #3: First Mid-Bank & Trust, Mattoon – 3.12%
- 3 random Illinois-based community depositories and cost of “other borrowed money” ([Call Report Data](#) as of 06/30/2024):
  - Random Institution #1: Blackhawk Bank & Trust, Milan N/A
  - Random Institution #2: Bank of Springfield – 3.62%
  - Random Institution #3: First Mid-Bank & Trust, Mattoon – 3.59%
- 3 random Illinois-based community depositories and cost of “other interest expense” ([Call Report Data](#) as of 06/30/2024):
  - Random Institution #1: Blackhawk Bank & Trust, Milan 3.71%
  - Random Institution #2: Bank of Springfield – N/A
  - Random Institution #3: First Mid-Bank & Trust, Mattoon – N/A
- State average yields for financial institutions (under \$3B or similar) on the following deposits and interest-bearing instruments ([Call Report Data](#) as of 06/30/2024):
  - \*Financial institutions in Illinois
    - Time deposits over \$250,000 – 4.00%
    - Fed funds purchased and repo – 3.49%
    - Other borrowed money – 3.69%
    - Other interest expense – 4.53%
    - All interest-bearing funds – 2.35%
  - \*\$1B-\$3B financial institutions across the nation
    - Time deposits over \$250,000 – 4.33%
    - Fed funds purchased and repo – 2.76%
    - Other borrowed money – 4.40%
    - Other interest expense – 4.52%
    - All interest-bearing funds – 2.94%

- State average yields for financial institutions (under \$3B or similar) on the following loans and investment instruments ([Call Report Data](#) as of 06/30/2024):

- \*Financial institutions in Illinois

- Total Loans and Leases – 6.03%
    - Total Investment Securities
      - TE: 2.66%
      - Book: 2.53%
    - Interest Bearing Bank Balances – 4.66%
    - Fed Funds Sold – 5.48%

- \*\$1B-\$3B financial institutions across the nation

- Total Loans and Leases – 6.19%
    - Total Investment Securities
      - TE: 2.88%
      - Book: 2.77%
    - Interest Bearing Bank Balances – 5.20%
    - Fed Funds Sold – 4.54%