

January 26, 2026

RE: Kansas Collateral Pool Transition – 2025 HB 2152

Dear Public Entity Contact,

Peoples Bank and Trust appreciates your patience and our ongoing relationship as we navigate the new Kansas Collateral Pool program together.

As you are likely aware, pursuant to the provisions of 2025 HB 2152, the State of Kansas has established the Kansas Collateral Pool under the administration of the Kansas State Treasurer. This program replaces the previous practice of separately pledging collateral to secure each public depositor's funds.

As part of the transition to the pooled collateral system, depository institutions are required to release individual collateral pledges that are no longer necessary once deposits have been secured under the pooled collateral structure.

Peoples Bank and Trust Company currently holds collateral pledged specifically to secure deposits of your entity. To facilitate the transfer of pledged collateral from your entity to the Kansas Collateral Pool with the State Treasurer's Office, we are requesting your acknowledgment of the program and consent to release all securities pledged to your entity at the time of conversion into the Kansas Collateral Pool so that we may pledge sufficiently in accordance with Kansas law.

Please review the acknowledgment attached, sign, and return it to Peoples Bank and Trust at your earliest convenience.

Thank you for your business.

Terry Riemann, CFO  
Peoples Bank and Trust  
101 S. Main St.  
McPherson, KS 67460



## KANSAS PUBLIC FUNDS UPDATE

During the 2025 Kansas Legislative session, the Kansas Legislature passed an updated public funds bill to help better invest tax dollars back into communities. While governmental units still need to go through the same process for bidding out their active or idle funds to banks in their communities, this bill has updated the way banks pledge collateral for excess public funds.

### Collateral Pool Program

As background, when a public unit has more than the FDIC insurance limit in funds on deposit with a bank, that bank must pledge collateral to protect the excess funds. Under the new law, governmental units are required to accept for pledging any of the types of collateral that are permissible under the statute.

Beginning January 2026, banks will begin conversion to a collateral pool program administered through the Kansas State Treasurer's office. This collateral pool program allows banks to more efficiently pledge collateral for public funds by totaling the amount of public funds the bank is holding that exceed the FDIC insured amount, then pledging collateral to cover that aggregated amount up to at least 102%. A report is sent to the Treasurer's office by the bank each month detailing the amount of public funds the bank is holding and the collateral that is securing it. The review by the Treasurer's office of these reports, adds a layer of security and oversight to make sure all public funds are properly protected.

The public funds are not sent to the Treasurer's office and are not combined with the other governmental funds. They are still kept in the bank where they are deposited in the account of the governmental unit that owns them. The State Treasurer's office is in the process of creating this program and may issue related rules and regulations.

We appreciate everyone's efforts to work together on this new program. It may take a little bit of time to adjust, but once we have, Kansas public funds will be safer and Kansas banks will have more liquidity to loan back into our communities. A true win-win for Kansas!



## ACKNOWLEDGMENT AND CONSENT TO RELEASE PLEDGED COLLATERAL

The undersigned, being the duly authorized representative of City of Anthony (the "Entity"), hereby acknowledges and consents as follows:

1. The Entity confirms that all public moneys deposited with Peoples Bank and Trust Company ("Depository") under a separate collateral pledge have been properly secured under Kansas public funds law by the Kansas Collateral Pool established under 2025 HB 2152.
2. The Entity hereby consents to the release of all collateral currently pledged by the Depository to secure such deposits in the Entity's name in order to facilitate the transfer of the collateral to the Kansas Collateral Pool.
3. The Entity understands that the release will be processed in coordination with the Kansas State Treasurer, acting as Pool Administrator, and that all records of such release will be maintained as part of the statewide pooled collateral system.
4. Upon release, the Depository, the collateral Custodian, and the Administrator shall be discharged from any further obligation under the prior collateral pledge agreement solely with respect to the deposits secured by the collateral released.
5. The Entity's deposits at the Depository shall be secured utilizing methods authorized by Kansas law, including but not limited to, pledging to the Kansas Collateral Pool.
6. The Entity acknowledges that any future deposits of public moneys maintained with the Depository will be secured under the pooled collateral method in accordance with 2025 HB 2152 and all applicable rules and regulations.

Public Entity: City of Anthony

Authorized Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Please return this executed acknowledgment to:

Peoples Bank and Trust Company  
P.O. Box 1226  
McPherson, KS 67460  
Or by email to [bookkeeping@peoples.bank](mailto:bookkeeping@peoples.bank)