

## Demand Deposit Marketplace<sup>®</sup> (DDM<sup>®</sup>) Program for Depository Institutions

# Access to Expanded Deposit Insurance Coverage with our Flexible Cash Management Program

Strategically manage your institution's deposit funding needs and the expanded deposit insurance needs of your customers with the Demand Deposit Marketplace<sup>®</sup> (DDM<sup>®</sup>) daily cash management program.

### Program Advantages

#### Additional Source of Funds

Retain higher levels of insured, non-brokered reciprocal deposits, and access wholesale funding.<sup>1</sup>

#### Balance Sheet Flexibility

Increase or decrease deposit levels at any time. Manage the ratio of uninsured deposits to total deposits.

#### Configurable

Send, receive or reciprocate deposits based on business line or customer needs.

The DDM program enables a bank or other institution to offer its customers access to millions of dollars in deposit insurance coverage on their eligible funds, strategically manage daily liquidity<sup>2</sup>, and offer interest rates that are competitive with other cash sweep options.<sup>3</sup>

An institution can participate in the DDM program as a send-only, receive-only, or reciprocal institution, with the ability to increase or decrease the level of deposits on its balance sheet at any time.

The DDM program serves as a flexible balance sheet management tool – providing access to wholesale funding and a 'reciprocal deposits' feature with the ability to increase or decrease the deposit amounts on your institution's balance sheet at any time. Whether your institution has excess liquidity, requires more deposits, or seeks to maintain deposit levels while offering its customers access to expanded deposit insurance coverage, the DDM program has a deposit solution that is right for you.

### Offer Your Customers:

- ▶ Ability to access expanded deposit insurance coverage
- ▶ Daily liquidity<sup>2</sup>
- ▶ Interest rates that are competitive with other cash sweep options<sup>3</sup>

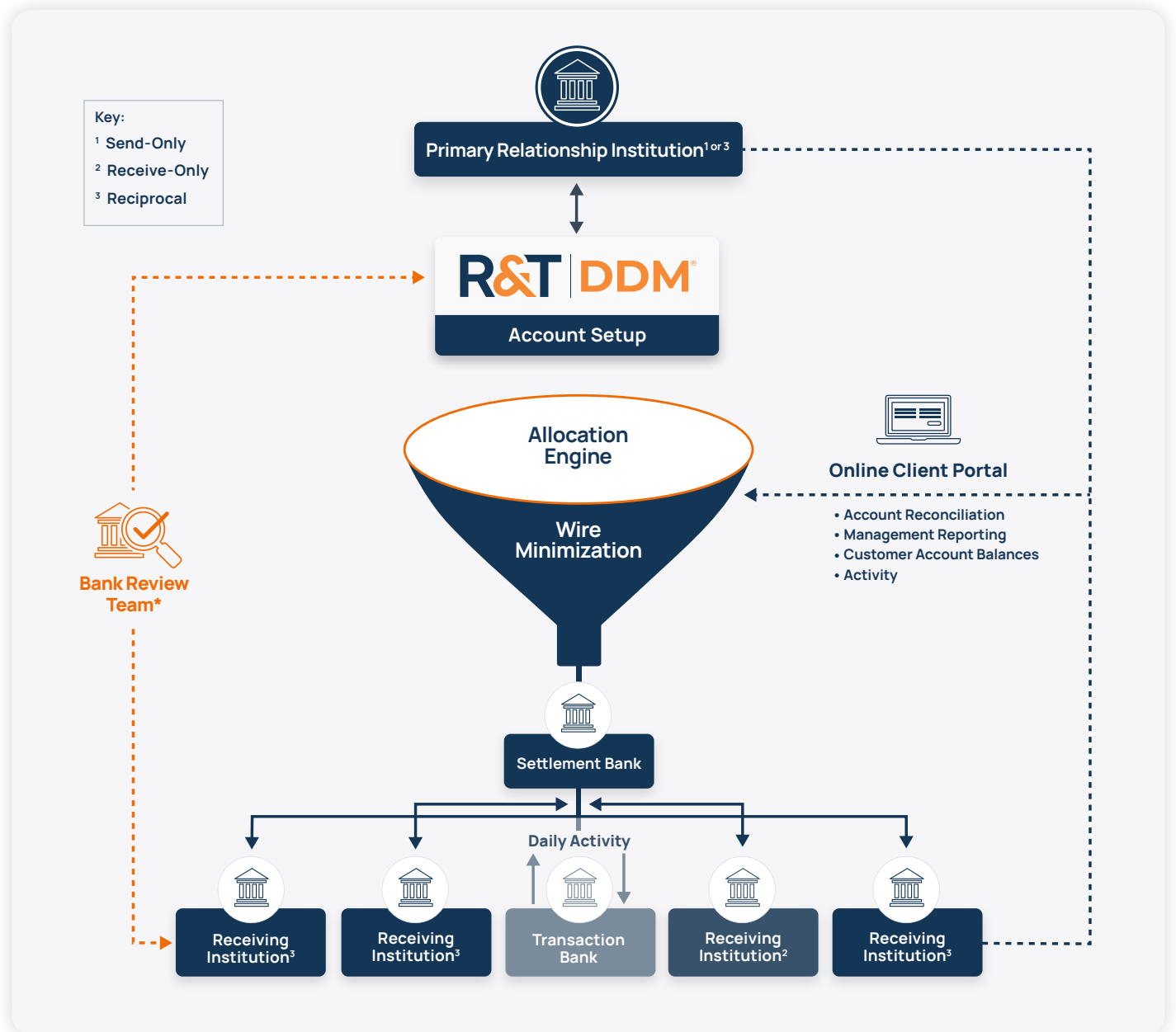
<sup>1</sup> Subject to applicable laws, regulation and rules relating to brokered deposits, including 12 CFR 337.6. R&T makes no representations or warranties, express or implied, with respect to an institution's classification of deposits as brokered or not brokered. Such determination is entirely and solely the responsibility of that institution.

<sup>2</sup> Under the DDM program, funds are deposited into demand deposit accounts (DDAs) or money market deposit accounts (MMDAs) at receiving banks or share draft accounts or share accounts at receiving credit unions. While your customers' funds are held in MMDAs or share accounts, the return of your customers' funds from the DDM program may be delayed as, under federal regulations, the receiving institution is permitted to impose a delay of up to seven days on any withdrawal request from an MMDA or share account.

<sup>3</sup> While interest rates obtained on funds placed at receiving institutions under the DDM program may, under certain circumstances, outperform cash alternatives, such as money market funds, the primary objective of the DDM program is to provide customers with convenient access to expanded deposit insurance coverage on their funds (and not for investment enhancements or higher rates of returns or profits).

## How It Works

Cash balances from your customers' accounts are swept into the DDM program and allocated into deposit accounts at participating receiving institutions in increments of up to \$250K per customer identifier (e.g., TIN)<sup>4</sup>, per receiving institution. This allows your customers to access expanded deposit insurance on their funds, up to the relevant program limit<sup>5</sup>, while maintaining daily access to their funds through their relationship with your institution.



\*R&T has an internal Bank Review Team for verifying initial and ongoing capitalization of the Receiving Institutions. R&T does not provide bank monitoring services or advice to Participating Institutions.

<sup>4</sup> Under the DDM Program, your institution may be permitted to allocate your customers' funds to participating receiving institutions in increments of up to \$250K per customer identifier (e.g., TIN), per account ownership category, per receiving institution, subject to approval and relevant agreements with R&T.

<sup>5</sup> Subject to the DDM Program Customer Terms & Conditions. Any funds placed into the DDM Program above the program limit (being excess funds) are placed into deposit accounts at excess receiving institutions and are not eligible for access to deposit insurance coverage (subject to FDIC/NCUA laws and regulations, which may permit access).

## DDM Program Options and Benefits

The DDM program offers four types of deposit relationships, providing flexibility to adjust deposit levels on your balance sheet.

### Send-Only

#### Send excess deposit balances

- ▶ Provide access to expanded deposit insurance
- ▶ Generate fee income
- ▶ On-demand funding for balance sheet deposits

### Receive-Only (Funding Solutions)

#### Receive deposit funding

- ▶ Diversify wholesale funding sources
- ▶ Fund loan demand
- ▶ Strengthen balance sheet and supplement contingency funding plans

### Reciprocal

#### Exchange deposits on a dollar-for-dollar basis

- ▶ Provide access to expanded deposit insurance
- ▶ Send uninsured balances and receive deposits in return
- ▶ Manage costs with non-brokered treatment (up to \$5 billion or 20% of liabilities)<sup>1</sup>

### Reciprocal Plus/Minus

#### Exchange deposits in any desired ratio

- ▶ Provide access to expanded deposit insurance
- ▶ Dynamically increase or decrease deposit levels
- ▶ Set reciprocal targets to send or receive balances above or below a target

## Contact us to learn more:

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Version MKT-101-003 – 19 November 2024