Fedwire® Securities
Joint Custody Service

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Fedwire® Securities

- **Fedwire® Securities Service**
  - The purchase and sale of government and government sponsored agency securities
  - Joint Custody – the collateralization of public funds deposited in depository institutions by state and local governments
How Joint Custody Works

- The Joint Custody Collateral Program is administered by the Boston Reserve Bank.
- Only state or local government entities are eligible.
- Allows you to collateralize state and/or local government deposits over the FDIC insurance limit.
- Tri-party relationship.

**Diagram:**

- **Pledgee:** Springfield Department of Public Works | Municipal or State Government Entity
- **Pledgor:** First National Bank of Springfield | Depository Institution
- **Federal Reserve Banks:** Federal Reserve Bank of Boston | Custodian
FNB Springfield pledges $1.25M in securities to a Joint Custody account for Springfield DPW.

FNB Springfield receives a monthly holdings statement and daily activity statements (if there is activity) for all their Fedwire Securities accounts.

FRB Boston sends out monthly holding statements and daily activity statements (if there is activity) to Springfield DPW.

Springfield DPW must provide authorization in order for FNB Springfield to transfer securities out of the account.

Springfield DPW maintains a $1.5M account at FNB Springfield.

FRB Boston
Fedwire Securities
Joint Custody

Springfield DPW
Joint Custody Fees

• All standard Fedwire Securities® fees apply

• Online transfer fees:
  • $0.35 for Agency Securities
  • $0.37 for Treasury Securities

• Joint Custody Origination Surcharge
  • $40.00 per withdrawal
More Information . . .

- Please call the Federal Reserve Bank of Boston’s Wholesale Operations Site:

  1-800-327-0147
  &
  Select option #4