



**COMMUNITY BANKERS**

B A N K

*Resourceful. Responsive. Reliable.*

# CB Solutions

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## CB Solution: Brokered CD's

### **Q: Would your bank like to earn an attractive yield on short-term, FDIC insured investments?**

**A:** As a result of our alliance with FNBB Capital Markets, CBB Investment Services can now offer customers access to brokered CD's. Some of the advantages of purchasing brokered CD's through us include:

- Safety of FDIC insurance - all brokered CD's are FDIC insured up to \$250,000.
- Short-term yields are typically close to or higher than Fed Funds, federal agency discount notes, or Treasury Bills.
- Excellent investment option for longer term deposits that banks want to keep FDIC insured, while earning an attractive yield.
- FNBB/CBB only offers brokered CD's from issuers with a minimum IDC rating of 75 to avoid banks that are at risk of imminent failure.
- FNBB/CBB talks to a number of brokered CD dealers to maximize the number of issuers we are able to offer. This is advantageous to investors who frequently purchase brokered CD's because access to more issuers is the only way to maintain diversity.

Typical features of brokered CD's are as follows:

- Maturities span 3 months to 10 years.
- Brokered CD's are sold at par.
- Most are fixed rate, although some are available with variable rates.
- Brokered CD's generally pay interest semi-annually or at maturity.
- Settlement typically occurs within 7-10 days of issuance.
- Brokered CD's are DTC deliverable.
- FNBB/CBB can hold them in Safekeeping to be priced monthly by IDC.
- Brokered CD's can be sold, but the market is not especially liquid, particularly for shorter maturities.

If you have interest in exploring how this product might benefit your balance sheet, please contact Kathleen Mojica by phone at 804-794-5885 (ext. 126) or via email at [kmojica@cbonline.com](mailto:kmojica@cbonline.com).