

CERTIFICATE OF DEPOSIT GUIDELINES

{Guidance governing the use of a Certificate of Deposit to meet the bonding requirements for Sewerage Systems as permitted by the Division of Water Resources of the Tennessee Department of Environment and Conservation (TDEC).

Certificates of deposit submitted to fulfill the financial assurance requirements of the Division of Water Resources must meet all of the following criteria:

- (a) The financial institution holding the funds must be a commercial financial institution regulated by an appropriate federal agency or by the Tennessee Department of Financial Institutions.
- (b) The certificate of deposit must be registered as follows: **“Corporation XYZ and Tennessee Department of Environment and Conservation or Tennessee Department of Environment and Conservation”**. All of the above statement within the quotation marks must be in the registration of the ownership of the account holding the deposit.
- (c) The certificate of deposit must be automatically renewed annually.
- (d) One of the following must be submitted to TDEC, and must include all terms and conditions of the CD:
 - The original certificate of deposit
 - A safekeeping receipt
- (e) The CD must be accompanied by a letter on bank letterhead that contains the following:
 - The CD Number
 - The name of the operator
 - The date issued

AND, the following statement:

“Notwithstanding any contrary term or condition of the above described Certificate of Deposit, [NAME OF FINANCIAL INSTITUTION] (the “Financial Institution”) hereby covenants, warrants and represents that said Certificate of Deposit shall not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Financial Institution. The Financial Institution further agrees that it shall not release the Certificate of Deposit or the proceeds thereof, including interest thereon, to anyone other than to the Tennessee Department of Environment and Conservation (the “Department”) without the written consent of the Department.”

(NOTE: In accordance with public policy of the state against unnecessary disclosure of social security numbers as reflected at TCA §47-18-2110 and the rule chapter listed above, the Tennessee Department of Environment and Conservation strongly recommends that **social security numbers not be visible** on any financial instrument submitted to TDEC as financial assurance. While TDEC will take all measures possible to prevent the improper disclosure of social security numbers from such financial instruments as issued by private financial institutions, **TDEC does not accept any liability for any customer's financial losses due to the presence of social security numbers on such instruments held by TDEC as financial assurance.**)