

Rule 2019 – 3 “State Treasury Money Management Trust Policy”

Summary of Amendment to State Treasury Money Management Trust Policy

The amendment to the State Treasury Money Management Trust (STMMT) addresses four topics. The Treasury's investment portfolio has historically limited purchases of corporate debt to 30% of the total portfolio in the aggregate, and 5% of the total portfolio for a single debt issuer. Prior to this proposed rule change, corporate debt investments under eight days were not included in those calculations. That exception is eliminated by this proposed rule change. The second substantive change limits the Treasury's holdings of second-tier commercial paper to 5% of the total portfolio. Third, the proposed rule change removes the Treasury's authority to purchase "private placement" commercial paper. Finally, this proposed rule change removes the 10% cap on the Treasury's ability to place collateralized certificates of deposit in local banks.