

Certificates of Deposit and other Time Deposit Instruments

The Certificate of Deposit or other time deposit (TD) must be issued by a financial institution, the deposits of which are federally insured, explicitly granting the Secretary of the Interior full authority to demand immediate payment in case of default in the performance of the terms and conditions of the 3809 notice or plan of operations. The TD shall explicitly indicate on its face that Secretarial approval is required prior to redemption of the TD by any party.

If the bond is secured by a certificate of deposit or other fixed time deposit, the TD must be presented to the BLM Oregon/Washington State Office with the following conditions:

1. The financial institution issuing the TD must be insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation (FSLIC), the National Credit Union Association (NCUA), or otherwise federally insured.
2. A TD cannot exceed the insured amount from any one financial institution for any one depositor.
3. The BLM must hold sole right to redeem the TD. Bank records must be provided showing that only the BLM may collect the amount of the TD. The TD should be made in the name of the U.S. Department of the Interior - BLM. If the TD is not directly issued in the name of the Department of the Interior - BLM, then the TD must explicitly state on its face that **"The Secretary of the Interior must approve the redemption of the TD by any party."** Any earned interest will be paid to the obligor, not to BLM.
4. The TD should be provided in the amount required for surface reclamation and include an additional amount sufficient to cover any penalties for early withdrawal. If the TD is submitted for only the amount determined for surface reclamation, any penalties for early redemption will be paid from the obligor's interest earned and not from the principal amount of the TD.
5. There should be no expiration date for the TD which would restrict the right of the BLM to collect the principal amount at any time in case of default. The TD can be issued for any term the obligor wishes, but it **MUST** be automatically renewable.
6. If the TD contains standard language to "off-set," the bank must agree to waive these terms. The following must also be submitted on bank letterhead if the TD is "off-set."

AGREEMENT NOT TO OFF-SET

Whereas, the Bank is presently the Depository Bank for Certificate of Deposit Number _____, in the principal amount of \$_____, titled "Department of the Interior – Bureau of Land Management (BLM)," for the deposit account of the Obligor.

Whereas, the Bank acknowledges that the purpose of the CD is for Obligor to fulfill Obligor's bonding requirements with the BLM.

Now, therefore, the Bank agrees that the Bank will not use the CD to exercise any set-off rights, which the Bank may now have or acquire in the future against the Obligor, the BLM or any other agency of the federal government.

The Bank further agrees not to take or accept the CD as collateral or security for any loan, credit or other obligation by the Obligor, the BLM or any other agency of the federal government.

This agreement shall expire when the CD is withdrawn or any term of the CD, including the titling of the CD, is changed, amended, or modified. This agreement shall renew whenever the CD renews, so long as ownership, titling, and all terms of the CD remain the same.

Signed this _____ day of _____, 20__.

Authorized Officer

Title