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NEW LAW MAKES UP TO \$5 MILLION IN FDIC INSURANCE EASY FOR PUBLIC UNITS IN ILLINOIS

ARLINGTON, VA (July 21, 2004) -- Taxpayers throughout Illinois will soon benefit from a new law that enables public agencies to receive up to \$5 million of FDIC insurance coverage through one bank.

The new law – an initiative of the Community Bankers Association of Illinois (CBAI) – enables public funds managers to use the Certificate of Deposit Account Registry Service, or CDARS, for cash management and investment.

“Public funds managers will find this safe and cost effective,” said David E. Manning, CBAI senior vice president.

The new law, which Gov. Rod Blagojevich signed into law on July 16, 2004, removes requirements on public agencies and on Illinois financial institutions which made it difficult to take advantage of the CDARS service and similar opportunities. The law is effective immediately.

Stan Helgerson, Government Finance Officers Association executive board member, commented: “For any government financial manager in Illinois, CDARS is something to consider.”

“There are few guarantees in life, but FDIC insurance is one of them,” said Gene Ludwig, Chairman and CEO of Promontory Interfinancial Network, Arlington, VA, the company that offers the CDARS service. “This law will make the job of public agency financial managers in Illinois much easier.”

To offer CDARS, a bank must belong to the Promontory Network – currently about 550 banks nationwide. A customer places deposits through a single member bank. Through a sophisticated computerized matching service, the customer’s funds are divided into CDs of less than \$100,000 – to ensure that both the principal and interest are eligible for full FDIC insurance coverage -- issued by other banks in the Network. From the customer’s point of view, it is one-stop shopping: one banking relationship, one statement, one interest rate.

About Promontory Interfinancial Network: Based in Arlington, VA, Promontory Interfinancial Network was founded in 2002 by former Comptroller of the Currency Eugene Ludwig and other leading figures in the banking industry to develop and provide creative solutions to issues confronting bank management. To learn more about Promontory, go to www.promnetwork.com. To learn more about CDARS, go to www.cdars.com.
