OFFICE OF THE TREASURER
STATE OF WASHINGTON
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Public Deposit Protection Commission

2025 Report

November 1, 2024 – October 31, 2025

A report to the Legislature providing an update on recent events, responses, and issues related to modernizing and improving the protection of public deposits in the state of Washington.

Background

The Public Deposit Protection Commission (PDPC) was created by the Legislature in 1969 and is administered by the office of the Washington State Treasurer. The PDPC is comprised of the State Treasurer, Governor, and Lieutenant Governor.

The PDPC approves financial institutions to hold state and local government deposits (i.e., public depositaries) and monitors collateral pledged by those institutions to secure public deposits that exceed federally insured limits. Public depositaries may pledge securities or letters of credit.

Executive Summary

The Office of the State Treasurer is required by statute (Revised Code of Washington 43.08.300) to report to the Legislature annually any actions taken by the PDPC and the Treasurer regarding public deposit protection. Reports from 2019 to present are available on the PDPC webpage. Reports from 2018 and before are available upon request.

This 2025 report is an update on events and actions taken since November 2024, when the last report was published. During this period:

- Washington's public depositaries continued to provide secure banking services for state and local government entities.
- No financial institutions serving government depositors were closed.
- Eight public depositaries were acquired by other financial institutions and remained public depositaries.
- One new financial institution was approved for its Washington branches to act as public depositaries.

As of October 31, 2025, 45 PDPC banks and 25 PDPC credit unions held about $10.2 billion in public deposits.

Deposits

As of October 31, 2025, about 3.2% of the $9.9 billion in public deposits at PDPC banks were insured by the Federal Deposit Insurance Corporation (FDIC), with the remainder protected by pledges of additional collateral. About 8.5% of the $341.1 million in public deposits at PDPC credit unions were insured by the National Credit Union Administration (NCUA), with the remainder protected by pledges of additional collateral.

Mergers and Acquisitions

The Washington Administrative Code (WAC) 389-12-130 requires that, in the event of a merger or acquisition of a public depositary, the acquiring financial institution must be or become a public depositary, or work with the PDPC to formally withdraw as a public depositary. During this period, eight of Washington's public depositaries were acquired by another institution and continued as public depositaries. The dates of acquisition and involved financial institutions were:

- April 11, 2025: Global Credit Union (Anchorage, Alaska) acquired First Financial Northwest Bank (Renton, Washington)
- April 30, 2025: Glacier Bank (Kalispell, Montana) acquired Bank of Idaho (Idaho Falls, Idaho)
- May 9, 2025: Spokane Teachers Credit Union (Liberty Lake, Washington) acquired Community Bank (Joseph, Oregon)
- May 31, 2025: Gesa Credit Union (Richland, Washington) acquired Security State Bank (Centralia, Washington)
- August 1, 2025: HAPO Community Credit Union (Richland, Washington) acquired Community First Bank (Kennewick, Washington)
- September 1, 2025: Harborstone Credit Union (Lakewood, Washington) acquired SaviBank (Burlington, Washington)
- September 1, 2025: Umpqua Bank (Portland, Oregon) acquired Pacific Premier Bank (Irvine, California)
- September 2, 2025: Mechanics Bank (Walnut Creek, California) acquired HomeStreet Bank (Seattle, Washington)

Closures

State and federal regulators did not close any public depositary banks or credit unions located in Washington during this period.

Other Financial Institution Changes

One financial institution was approved to act as a public depositary in its Washington branches during this period:

- July 18, 2025: Mechanics Bank (Walnut Creek, California)

Two financial institutions had legal name changes:

- July 1, 2025: Umpqua Bank (Roseburg, Oregon) to Columbia Bank
- September 15, 2025: TwinStar Credit Union (Lacey, Washington) to Peak Credit Union

One financial institution requested and was approved to terminate its status as a public depositary:

- January 13, 2025: Sunflower Bank (Dallas, Texas)

Trustee Changes

One trustee requested and was approved to terminate its status as a trustee:

- January 13, 2025: Federal Home Loan Bank Dallas (Dallas, Texas)

Authorization Resolutions

Under the Revised Code of Washington 39.58.080, the PDPC may authorize public funds to be deposited in a banking institution outside the state of Washington for certain higher education endowment funds, or a specific instructional program or research project being performed outside the state of Washington. The authorizations and terminations of the authorizations are formalized through resolutions. On April 7, 2025, four such resolutions were processed for the University of Washington:

- Resolution No. 2025-L1: Rescind authorization granted on October 23, 2018, by Resolution No. 2018-L26.
- Resolution No. 2025-L2: Rescind authorization granted on August 8, 2022, by Resolution No. 2022-L1.
- Resolution No. 2025-L3: Amend Resolution No. 2020-L2 to authorize retention of an account until the earlier of December 31, 2027, or until no longer needed.
- Resolution No. 2025-L4: Amend Resolution No. 2020-L3 to authorize retention of an account until the earlier of December 31, 2027, or until no longer needed.

Public Deposit Protection Commission Meetings

Since the last PDPC annual report, the Commission met once on February 25, 2025. At the meeting, the Chair and PDPC Administrator updated the Commission regarding approval and termination letters issued by the Chair. The Commission also adopted two resolutions:

- Resolution No. 2025-1: Approval of a proposed new chapter to be added to Title 389 WAC and authorizing the State Treasurer to enter into the rulemaking process for certain draft regulations governing public records, through a new chapter to be added to Title 389 WAC.

- Resolution No. 2025-2: Appointment of the Office of the State Treasurer's public records officer as the public records officer for the PDPC.

Looking Ahead

The Office of the State Treasurer will continue monitoring the changing conditions in public depositaries to ensure the safety and soundness of public funds on deposit at banks and credit unions in Washington.