SAN JOSE
CAPITAL OF SILICON VALLEY

CERTIFICATE OF DEPOSIT (CD) REQUIREMENTS

Department of Public Works, Development Services
200 East Santa Clara Street, San Jose, CA 95113
(408) 535-3555

Certificates of Deposit (CD) are used as a security deposit to guarantee repair and/or replacement of public improvements damaged during work initiated under a permit issued by Development Services. If the permit for which you are applying allows for the use of a CD as the security deposit, please ensure that it meets all of the requirements listed below. *CD's presented which do not meet all of these requirements will be returned to the applicant for correction, potentially delaying issuance of the permit.*

The requirements for Certificates of Deposits are as follows:

1) Submitted CD must be on an original bank form (i.e. screen prints, photocopies, faxes, etc. are not acceptable).

2) Must be payable to the City of San Jose.

3) Must be non-negotiable ***(non-negotiable must be imprinted on CD)***

4) Must show the maturity date of the CD.

5) The initial term of the CD must be at least 90 days with an automatic renewal provision.

6) Must show the interest rate of the CD.

7) Must list the Permittee or Contractor as the depositor.

8) Interest will be paid directly to the depositor at maturity, ***NOT*** the City of San Jose. The interest must not be capitalized or added to the CD account at anytime.

9) Must be issued by a local bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or a FDIC insured bank with a local branch. ***(FDIC must be imprinted on CD)***. Local is defined as a bank within the County of Santa Clara for an affiliated out of county bank.

10) In order to be covered by FDIC insurance, the principal plus expected interest to be earned should not exceed the insurance limit of $250,000.

The Department of Public Works will maintain control over the CD until completion of the project. In the event the Permittee refuses or fails to complete or repair the public street improvements of this permit, the Director of Public Works may, at his sole discretion, after giving written notice to the Permittee, use funds from the CD to pay the costs of construction or repair. Said cost for construction or repair shall include administration expenses. Upon the acceptance of said improvements, the unexpended portion of said deposit shall be returned to the Permittee who made the deposit.

There is a minimum 30-day workmanship and materials warranty period during which the CD is held. This period begins when Final Inspection is completed by the Public Works Inspector.

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