

BORROWER-IN-CUSTODY GUIDELINES FOR FRB PHILADELPHIA

*INSTRUCTIONS FOR COMPLETING BORROW-IN-CUSTODY
ARRANGEMENTS*

Table of Contents

I.	Introduction.....	2
II.	Loan Eligibility, Documentation, and Control	3
	Eligible Loan Types.....	3
	Loan Level Documentation/Eligibility Criteria:.....	4
	Required Documentation.....	4
	Operational Controls.....	6
III.	Maintaining a BIC Collateral Arrangement	7
	DI Reporting Procedures.....	7
	Portfolio Reporting Procedures	8
	FRB Review Procedures	10
	Collateral Valuation.....	10
IV.	Required Borrowing Documents.....	11

I. INTRODUCTION

The Federal Reserve Bank (FRB) permits financially healthy banks, savings and loans and credit unions (Depository Institutions (DIs)) to pledge their well rated, performing assets as collateral to meet their borrowing needs from the Discount Window (and certain US Treasury programs) and offset fees from daylight credit usage while retaining possession of the assets. The most-commonly pledged assets for this purpose are loans.

The FRB's Borrower-In-Custody (BIC) collateral program permits DIs to retain possession of their loan files for operational purpose while still adequately securing their Discount Window contingency position.

This document outlines loan eligibility parameters, required documentation, and ongoing maintenance processes that should be followed after a DI has been approved by the FRB to hold collateral in a BIC arrangement. Information on pledging loan collateral can also be located on the FRB Discount Window website <http://www.frbdiscountwindow.org> and in the executed Letter of Agreement with the FRB (located in Section 7.6, Operating Circular 10).

If you would like more information on the guidelines contained herein, please email philbicmailbox@phil.frb.org and one of our collateral staff will contact you.

For General Inquires please contact the Discount Window:

Discount Window Office Hours: 8:00 a.m. - 7:00 p.m. (ET)

Toll Free Phone: (800) 372-2011

II. LOAN ELIGIBILITY, DOCUMENTATION, AND CONTROL

The following section provides information on the types of loans that can be pledged, including eligibility requirements that the loan must meet, and the necessary documentation needed to implement and maintain the pledged and BIC arrangement.

ELIGIBLE LOAN TYPES

The FRB accepts a wide range of loans, such as but not limited to the following:

- Consumer
 - 1-4 Family Residential (1st lien)
 - Home Equity (2nd lien)
 - Auto
 - Installment
 - Student
 - Credit Cards
 - Unsecured
- Commercial
 - Commercial and Industrial (C&I)
 - Commercial Real Estate (CRE)
 - Construction
 - Land
 - Agricultural
- Government Guaranteed

If you have any questions concerning a loan type not listed contact one of the collateral representatives to discuss eligibility.

Loans offered as collateral should generally have the documentation noted below depending upon the loan type:

- Loan agreement, mortgage, promissory note (original documentation¹)
- Syndicated note, participation note, master note (original documentation¹)
- Loan modifications (original documentation¹)
- Security agreement (original documentation¹)
- Title
- UCC financing statement for underlying collateral

¹ a certified copy is acceptable in lieu of original document

- Insurance
- Appraisal
- Loan officers write-ups and annual reviews (if applicable)
- Risk rating reviews (if applicable)

If loans are created in an Electronic Format or maintained in an Imaged Format, contact the FRB to discuss particulars and eligibility.

LOAN LEVEL DOCUMENTATION/ELIGIBILITY CRITERIA:

Loans offered as collateral **must not** contain any of the following elements:

- More than 30 days delinquent for commercial type loans (including C&I, CRE, Land, Agricultural, Government Guaranteed)
- More than 60 days delinquent for consumer type loans (residential mortgages, home equity/2nd lien, unsecured, secured (auto, boat, etc.), credit cards, student loan)
- In foreclosure
- In legal dispute
- Insider loans
- Employee loans
- A participation mortgage (if a one-to-four family residential loan)
- Extensive delinquency history
- Loans with assignment or transferability restrictions
- LTV no more than 90% at origination (excludes C&I and consumer loans)
- Any off-balance sheet commitments
- Loans collateralized by stock of a depository institution
- Loans to a depository institution or an affiliate of a depository institution
- Loans issued to an affiliate Employee Stock Ownership Plan (ESOP) or secured by stock held by an affiliated ESOP
- Loans already pledged under a specific or blanket lien unless expressly subordinated to the Reserve Bank
- Loans to foreign entities or loan to domestic entities that are not denominated in US dollars
- Loans classified as Other Loans Especially Mentioned, Substandard, Doubtful or Loss, or that are fall below a pass credit from a regulatory standpoint or below the acceptable credit risk rating as defined in the QLR
- Loans that otherwise become unacceptable after being pledged must be withdrawn immediately

REQUIRED DOCUMENTATION

The documentation listed below is required for the initial set up of the BIC arrangement. In addition, much of this documentation must be updated on some periodic basis which is described under the Maintenance section below.

- Collateral Certifications – A BIC Collateral Certification Form must be completed and signed by an individual authorized by DI's Borrowing Resolution on file with the Discount Window. This form provides insight to the loans that are being pledged and the DI's reporting capabilities. Contact the FRB for the appropriate BIC collateral certification.

The BIC Certification categories are as follows:

- Residential Real Estate Mortgages
 - Home Equity Loans
 - Commercial Loans
 - Commercial Real Estate Loans
 - Consumer Loans
 - Credit Card Receivables
- RIM Collateral Certification – In situations where a third-party service provider is utilized a Remote Inventory Manager or RIM Collateral Certification must also be completed. This certification can also be requested from the FRB representative.
 - Audit Review – A copy of the most recent internal Audit review of the assets being pledged must be provided to the FRB. An explanation of any Audit issues noted and management's response must also be provided.
 - Internal Risk Rating Policy - A copy of the DI's Internal Risk Rating (IRR) system must be provided (if pledging non-consumer loans). Upon review of the IRR the FRB will prepare a Qualified Loan Review (QLR) Agreement to define which risk ratings are acceptable for pledging as collateral. This agreement will be provided to the DI for review and signature and returned to the FRB.
 - Collateral Pledging Authorization Form (template provided) -authorizes individuals to transmit the monthly loan revaluations to the FRB. This document must be completed on the institution's letterhead and signed in accordance with the borrowing resolution on file with the FRB.
 - UCC-1 Financing Statement and Search results – The FRB will file this form with the state authority, where the head office of the organization is located. A search is performed to certify that no prior liens exist on the pledged collateral. The FRB requires a first priority security interest. If there is entity in front of the FRB, i.e., FHLB or correspondent bank, the FRB would require the entity to subordinate their security interest

OPERATIONAL CONTROLS

Whether the loans are warehoused at the DI's office, at the office of an affiliate or with a third-party storage provider they must meet the following requirements:

- Loans must be stored in a secure area protected against loss from fire, theft and other dangers
- Access and removal of key documents from the collateral area must be monitored.
- Loans pledged to the FRB are identified as such by one or more of the following:
 - Marked within the DI's loan system as pledged to FRB Philadelphia (preferred).
 - The file folder containing the documentation is labeled to indicate that it is pledged to FRB Philadelphia.
 - Segregated in one or more file cabinets/drawers that are labeled to indicate that the contents are pledged to FRB Philadelphia.
 - The loans must be segregated in a defined area where a highly visible sign indicates that the room contains loans that are pledged to FRB Philadelphia as collateral.

III. MAINTAINING A BIC COLLATERAL ARRANGEMENT

Once a DI is approved for the BIC program, a contact at the DI must be identified who will be responsible for adherence to the policies and procedures of the program. It is recommended the officer appointed as liaison is from the funding area of the DI and authorized to pledge collateral according to the DI's Authorizing Resolutions for Borrowing (Operating Circular 10) on file with the FRB's Credit and Risk Management unit.

DI REPORTING PROCEDURES

To maintain a collateral arrangement an update of outstanding balances (usually monthly) must be provided to the FRB.

- Monthly Loan Detail - Once the arrangement has been established, the DI is required to submit monthly (unless requested more frequently by the FRBP) a loan trial balance listing as described under the Required Documentation section above. Timely updates are required to ensure the continuance of the collateral value. Collateral value will be reduced or discontinued if updates are not received as scheduled.
- Loan Substitution – Loans can be withdrawn, or additional loans can be added as needed. Loans that become unacceptable after initially being pledged must be withdrawn from the pledge. DIs are required to monitor their pledged portfolio to ensure it meets the FRB's eligibility criteria. In addition, DIs are required to monitor their pledged loan pools for variances of 10% or more in the current outstanding balances. If a 10% or more variance occurs at any time during the reporting period, the DI is required to provide an interim reporting of balances with the FRB and include an explanation for the variance in the reporting email. If you are unsure of this requirement, please contact any of the collateral representatives noted in the Introduction section above.
- Cover Letter – The loan trial balances must be accompanied by a signed Cover Letter with each reporting. See more detail in the Required Documentation – Cover Letter section below.

PORTFOLIO REPORTING PROCEDURES

All depository institutions that pledge loans as collateral for Federal Reserve purposes are required to submit reports detailing the pledged loans on a periodic basis (at least monthly), as well as any time the total current outstanding principal balance of all loans pledged decreases by 10 percent or more. Automated Loan Deposit (ALD) is the Federal Reserve's process for recording loan pledges at the individual loan detail level, and, in most instances, reports must be submitted in an ALD format.

The process for pledging loan collateral to a Reserve Bank depends in part on whether the pledging institution is in the in-scope category or out-of-scope category. The difference between the two groups is the amount of information the pledging institution must provide about each pledged loan. In-scope institutions must provide a more detailed set of data elements for pledged loans.

The DI must submit a trial balance of the loan portfolio it is pledging. The trial balance must be reported in the FRB's prescribed Automated Loan Deposit (ALD) format. It must be transferred using the ZIX encryption process. Please alert the FRB if you do not already have access to the ZIX encryption process. All deposits are to be sent to the PHIL SRC BIC mailbox at PHILBICMailbox@phil.frb.org. All reporting is due by the 5th of the month unless instructed otherwise.

Pledging institutions should refer to the File Specifications and General Reporting requirements section through the Discount Window site for further in-scope and out-of-scope detail. [Pledging Collateral \(Pledging Collateral \(frbdiscountwindow.org\)\)](#)

1. ALD COLLATERAL REQUIREMENTS FOR *IN-SCOPE* Depository Institutions

An institution is considered in-scope if it meets one of the following criteria:

- All depository institutions that are controlled (12 CFR 225.2(e)) by a Bank Holding Company (12 CFR 225.2(c)(1)) (including a Financial Holding Company (12 CFR 225.81)) or an Intermediate Holding Company (12 CFR 252.2(y)) with Fifty Billion Dollars (\$50,000,000,000) or more in total consolidated assets, defined as the average over the last four calendar quarters;
- All Foreign Banking Organizations (12 CFR 211.21(o)(1));
- All other domestic depository institutions with Fifty Billion Dollars (\$50,000,000,000) or more in total consolidated assets, defined as the average over the last four calendar quarters; or
- An institution that voluntarily becomes an in-scope institution.

Once an institution is defined as in-scope, the reporting requirements remain in place even if the institution no longer meets the above definition in the future. Staff at the local Reserve Bank will contact an institution if its reporting requirements are subject to change.

Details on the format and transmission methods for in-scope institutions can be found here: https://www.frbdiscountwindow.org/~media/documents/inscope_fileformatspecificationsanddefinitions.pdf

2. ALD COLLATERAL REQUIREMENTS FOR *OUT-OF-SCOPE* DIS

Two methods of ALD reporting are available:

- FRB Excel Template

The loan trial balance listing can be reported in the FRB's standard excel template. The template defines the layout of the fields which are required for accurate reporting purposes. Once this reporting format has been established it must be followed consistently. (See attached ALD Template in the Appendix.)

- FRB Fixed File Format

The loan trial balance listing can be reported in a fixed format text file. This method follows specifications prescribed by the Reserve Bank. See the Electronic Loan File Specification listed in the Appendix. Additional details on the format and transmission methods for out-of-scope institutions can be found here: [Out-of-Scope Text File Format Specifications and Definition](#)

3. COVER LETTER REQUIREMENTS FOR BOTH IN-SCOPE OR OUT-OF-SCOPE DIS:

A Cover Letter must accompany the listing of loans whether the pledging institution is defined as in-scope or out-of-scope. The Cover Letter identifies by CALL report code, the aggregate loan values pledge to the Reserve Bank. The Cover Letter must be signed by an individual who is authorized under the institution's Board resolution on file with the FRB to pledge collateral. If the listing and cover letter are submitted via e-mail, no signature is required; however, a Pledging Authorization form must be submitted to authorize the individuals sending the e-mails.

Furthermore, institutions are expected to transmit collateral reports to their Reserve Bank using an approved method of secure transmission. The following methods may be used to securely

transmit ALD collateral reports: ZIX or Intralinks. See attached BIC Cover Letter and Pledging Authorization forms noted in the Appendix.

FRB REVIEW PROCEDURES

The FRB will establish a review cycle in which the DI must complete a new/updated collateral certification form (as described above in the Required Documentation section above). In addition, the FRB will establish a frequency cycle for conducting on-site reviews of the loan collateral pledged. These reviews will be scheduled and coordinated to accommodate both the institution's and FRB's schedules.

- Review of Operational Controls - A review of the DI's operational controls for loan accounting and documentation will be conducted to ensure that management adequately monitors the loan collateral and that they adhere to FRB requirements. Appropriate operational controls help prevent the inadvertent or deliberate removal, destruction, sale, or double pledging of loans, which, in turn, helps ensure that the value assigned to the collateral is accurate.
- On-site Review - An on-site review of the warehousing facility will be performed within six months of establishing the BIC collateral arrangement. This review will take place where the loans are permanently warehoused. The loan documentation will be reviewed for compliance with FRB eligibility requirements. If the loan documents are imaged on the DI's automated system but stored with an affiliate or a third-party servicer a review will be performed at both locations. The review will also include an evaluation of the operational controls in place to ensure that the loans pledged to the FRB are adequately safeguarded. Going forward, a regular on-site review cycle will be established for the institution. In addition, in-scope institutions will be subject to periodic data validations to confirm the veracity of reported information.

COLLATERAL VALUATION

Current collateral valuations can be obtained by referencing the Discount Window website at [Collateral Valuation \(frbdiscountwindow.org\)](http://frbdiscountwindow.org)

IV. REQUIRED BORROWING DOCUMENTS

In addition to establishing a BIC arrangement, the following documents found in Operating Circular 10 must be on file with the Reserve Bank to borrow from the Discount Window.

- ▶ Letter of Agreement
- ▶ Authorizing Resolutions for Borrowers
- ▶ Form of Certificate (along with a copy of letter of authorization from the appropriate regulatory authority)
- ▶ Correspondent Letter of Agreement

These documents are available and explained in more detail on the Discount Window website: [Pledging Collateral \(frbdiscountwindow.org\)](https://www.frbdiscountwindow.org)

Appendix:

FRB ALD Out-of-Scope Template (Excel)

A combination of these fields must be included to indicate the payment status of the loan																				
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
Obligation (Loan) Number	Borrower Name	Address	City	State	Original Par Amount	Current Outstanding Balance	Maturity Date	Interest Rate	Internal Risk Rating*	Credit Score	Prime/Subprime (determined by DI)*	Interest Method	Principal Next Due Date	Principal Paid Through Date	Principal Payment Frequency	Interest Next Due Date	Interest Paid Through Date	Interest Payment Frequency	Loan Structure Type (Bullet, Amtz, LOC)	NAICS/ SIC Code
001	Roger Smith				\$3,000,000.00	\$1,950,000.00	2/2/2010	7.25	3	700	Prime	Fixed	12/1/2007	11/1/2007	Monthly	12/1/2007	11/1/2007	Monthly	Amortizing	65
002	Jimmy Roberts				\$2,000,000.00	\$1,875,000.00	5/5/2015	6.87	2	650	Subprime	Floating	12/31/2007	9/30/2007	Quarterly	12/31/2007	9/30/2007	Quarterly	Bullet	53
003	Sally Grimm				\$1,200,000.00	\$1,190,000.00	7/4/2012	7.90	4	820	Prime	Fixed	12/31/2007	6/30/2007	Semiannual	12/31/2007	6/30/2007	Semiannual	Bullet	65
Summary Information					\$6,200,000.00	\$5,015,000.00	8/16/2012	7.26												
Additional Information																				
*Internal Risk ratings are required for commercial, commercial real estate, construction, and U.S. Agency loans.																				
At a minimum, items in red are required fields.																				
Prime/Subprime designation is preferred when pledging consumer loans.																				
Interest rate must be reported as a number, not a formula. If variable rate report the interest rate that was effective for the month.																				
If not providing an optional data element please leave a blank column if possible.																				
The summary information items are shown with applicable formulas.																				

ALD Out-Of-Scope Specifications

Electronic Loan File Specifications

- ✦ On a periodic basis (at least monthly), a DI will send a fixed position text file containing detail on pledged loans that are held in a Borrower-In-Custody (BIC) arrangement, held by the DI in accordance with Treasury Investment Program (TIP) requirements, and/or held at an approved custodian .
 - ✦ Files may be sent on a CD-ROM or diskette (accompanied by a signed Cover Letter) or as an email attachment (accompanied by an unsigned Cover Letter).
 - ✦ Each file should only contain data for one ABA Number and loan type (although multiple files may be submitted by a DI for the same asset type and securities account number).
 - ✦ Each file must contain a unique identifier (Loan Identifier) that will be maintained and matched in future file submissions; each new file will replace the previous file with the same Loan Identifier.
 - ✦ Depository institutions should consider their information security requirements before sending Collateral Schedules electronically. If requested, the Federal Reserve Banks will work with DIs to receive encrypted information or otherwise meet the requirements of an institution's information security program.
 - ✦ To ease processing, DIs are encouraged to program the edits listed on page 4.

- ✦ Each file may (i) contain new loan deposits (loans that are not currently pledged); (ii) provide updated principal balances for loans currently pledged (revaluations); and/or (iii) exclude loans that are no longer pledged (withdrawals). As a reminder, a DI must send an updated file to the FRB any time the total current outstanding book value of all loans listed in the file decreases by 10% or more.

- ✦ While certain fields are optional and may be left blank (as indicated in the descriptions in the tables below), loans where *required* fields are left blank or not completed in accordance with the tables below will be listed on an exception report and will not receive value.

- ✦ Each file should include only one Header Record (the first record in the file) and only one Trailer Record (the last record in the file). In addition:
 - ✦ For each loan that is not part of a master note facility, the file should include (i) one Obligor Record and (ii) one loan detail record.
 - ✦ For each master note facility, the file should include (i) one Obligor Record; (ii) one Master Note Record; and (iii) a Loan Detail Record for each individual drawdown under the facility.

Header Record

Field Name	Format	Columns	Description
Record Code	X(1)	1	'0' for Header Record.
ABA Number	9(9)	2-10	Depositor's ABA Number.
Loan Identifier	X(20)	11-30	Must be unique and match the Loan Identifier of the file it is replacing.

Holding ABA Number	9(9)	31-39	Custodian ABA Number, if applicable. May be blank.
Securities Account Number	X(4)	40-43	Securities Account Number (see table below).
Asset Code	9(3)	44-46	Asset Type (see table below).
Principal Balance As-Of Date	9(8)	47-54	CCYYMMDD format.
Processing Date	9(8)	55-62	Current Date in CCYYMMDD format.
Processing Time	9(6)	63-68	Current Time in HHMMSS format.

Obligor Record

Field Name	Format	Columns	Description
Record Code	X(1)	1	'1' for Obligor Record.
Obligor Number	X(20)	2-21	Identifies Obligor, must be unique to obligor.
Obligor Name	X(40)	22-61	Identifies Obligor.
Obligor City	X(20)	62-81	Identifies city of Obligor.
Obligor State	X(2)	82-83	Identifies state of Obligor.
Obligor Country	X(2)	84-85	Identifies country of Obligor, may be blank.

Master Note Record

(Only use Record Code 2 if Master Note)

Field Name	Format	Columns	Description
Record Code	X(1)	1	'2' for Master Note Record.
Obligor Number	X(20)	2-21	Identifies Obligor. Must match the obligor number in the Obligor Record.
Master Note Reference Number	X(30)	22-51	Unique reference number identifying master note; cannot change from one file to the next.
Master Note Maturity Date	9(8)	52-59	CCYYMMDD format, or blank if ONDEMAND.
Master Note Original Maximum Par Amount	9(11).9(2)	60-73	Total Original Maximum Par Amount of Master Note Agreement on issue date. Note: For each unique file Loan Identifier, the Master Note Original Maximum Par Amount cannot change from one file to the next. May be blank.
Master Note Current Maximum Par Amount	9(11).9(2)	74-87	Total Current Maximum Par Amount of Master Note Agreement that individual drawdowns may not exceed. Should reflect any amendments to the Original Maximum Par Amount.

Loan Detail Record

Field Name	Format	Columns	Description
rev. 11/27/23 SRC - 7th FL NW 10 Independence Mall Philadelphia, PA 19106-1574 1.800.372.2011			14

Record Code	X(1)	1	'3' for Loan Detail Record.
Obligor Number	X(20)	2-21	Identifies Obligor. Must match the obligor number in the Obligor Record.
Obligation Number	X(30)	22-51	Identifies individual loan/drawdown.
NAICS Code	X(6)	52-57	North American Industry Classification System Code. May be blank.
SIC Code	X(4)	58-61	Standard Industrial Classification Code. May be blank.
Structure Code	X(1)	62	Structure Code of loan (B=Bullet, A=Amortizing, L=Line of Credit), may be blank.
Internal Risk Rating	X(5)	63-67	Depositor-assigned Internal Risk Rating, may be blank.
Maturity Date	9(8)	68-75	CCYYMMDD format, or blank if ONDEMAND.
Interest Frequency	X(1)	76	M=Monthly, Q=Quarterly, S=Semi-annually, A=Annually, V=Variable, P=Payable at Maturity, N=None, may be blank.
Interest Paid Through Date	9(8)	77-84	CCYYMMDD format, may be blank.
Interest Next Due Date	9(8)	85-92	CCYYMMDD format, may be blank.
Interest Method	X(2)	93-94	Interest Rate Method (FX=Fixed, FL=Floating), may be blank.
Interest Rate	9(2).9(9)	95-106	Interest Rate.
Principal Payment Frequency	X(1)	107	M=Monthly, Q=Quarterly, S=Semi-annually, A=Annually, V=Variable, P=Payable at Maturity, N=None, may be blank.
Principal Paid Through Date	9(8)	108-115	CCYYMMDD format, may be blank.
Principal Next Due Date	9(8)	116-123	CCYYMMDD format, may be blank.
Original Par Amount	9(11).9(2)	124-137	Original Par Amount on issue date. Note: For each unique file loan identifier, the Original Par Amount cannot change from one file to the next. May be blank.
Current Par Amount	9(11).9(2)	138-151	Total Current Par Amount. Should reflect any amendments to Original Par Amount.
Current Value	9(11).9(2)	152-165	Current Outstanding Principal Value, may not exceed Current Par Amount.

Trailer Record

Field Name	Format	Columns	Description
Record Code	X(1)	1	'9' for Trailer Record.
Total Record Count	9(7)	2-8	Total number of records in file.
Total Current Par Amount	9(11).9(2)	9-22	Total Current Par Amount of all Detail Records.
Total Current Value	9(11).9(2)	23-36	Total Current Value of all Detail Records.

Securities Account Numbers (in Header Record)

Code	Definition
U102	Loans and Discount
T108	Treasury Tax and Loan
T109	Treasury Tax and Loan {SDI}
P102	Funds Collateral
P103	Securities Collateral

Asset Type (in Header Record)

Code	Asset Type
705	Agricultural Loans
710	Commercial Loans
720	SBA Guaranteed Loans
721	Export Import Bank Guaranteed Loans
722	Other Guaranteed Agency Loans
725	Non Guaranteed Agency Loans
730	Private Banking Loans
740	Individual Loans
741	Auto Loans
741	Other Consumer Loans
743	Auto Leases
743	Other Consumer Leases
750	1-4 Family Mortgages (First Lien)
760	1-4 Family Mortgages (Home Equity, Second Lien)
780	Commercial Real Estate Loans
790	Construction Loans
791	Raw Land

Edits Causing Rejection:

- If the file has errors (items that cannot be deposited due to errors/format/etc.), CMS will reject the whole file and produce an exception report detailing the problems so that the DI can be notified of the need to resubmit

Edits Listed on Exception Report (Does Not Cause Rejection of the File):

- If a new internal risk rating (IRR) is on the file. (If IRR is required the new IRR will be mapped to excessive risk which assigns zero collateral value)
- If a new SIC/NAICS code is on the file.
- If a SIC/NAICS Code is provided and not applicable to the category code. (Current SIC/NAICS functionality will remain the same.)
- If custodial arrangement, holding ABA Number must be different from depositor's ABA Number.
- Items with an FRB Rating of not rated (NR) - (FRB rating of NR is recorded if an IRR is required but left blank, will map to excessive risk which assigns zero collateral value).
- If the maturity date of a drawdown under a master note facility exceeds the master note maturity date.
- If the sum of drawdown current values exceeds the current maximum par amount on the master note.
- If the current value of a loan exceeds the current par amount of the loan.

- If a structure code is provided for an invalid category code.
- If the change in total current outstanding book value resulting from loans withdrawn/revalued since the last update is $\geq 10\%$ (do not count new loan detail items when determining change in value percentage).
- If the Obligor Country is not US or blank.
- For Consumer Loans (730-760) list:
 - o If Principal Next Due Date +60 < Principal Balance As-Of Date
 - o If Principal Payment Frequency = M and Principal Paid Through Date +90 < Principal Balance As-Of Date
 - o If Interest Next Due Date +60 < Principal Balance As-Of Date
 - o If Interest Payment Frequency = M and Interest Paid Through Date +90 < Principal Balance As-Of Date
- All Other Loans (705-725; 780-791) list:
 - o If Principal Next Due Date +30 < Principal Balance As-Of Date
 - o If Principal Payment Frequency = M and Principal Paid Through Date +60 < Principal Balance As-Of Date
 - o If Principal Payment Frequency = Q and Principal Paid Through Date +120 < Principal Balance As-Of Date
 - o If Principal Payment Frequency = S and Principal Paid Through Date +210 < Principal Balance As-Of Date
 - o If Principal Payment Frequency = A and Principal Paid Through Date +390 < Principal Balance As-Of Date
 - o If Interest Next Due Date +30 < Principal Balance As-Of Date
 - o If Interest Payment Frequency = M and Interest Paid Through Date +60 < Principal Balance As-Of Date
 - o If Interest Payment Frequency = Q and Interest Paid Through Date +120 < Principal Balance As-Of Date
 - o If Interest Payment Frequency = S and Interest Paid Through Date +210 < Principal Balance As-Of Date
 - o If Interest Payment Frequency = A and Interest Paid Through Date +390 < Principal Balance As-Of Date

COVER LETTER

TO: Federal Reserve Bank of Philadelphia
Supervision, Regulation & Credit
10 Independence Mall
Philadelphia, PA

Name of DI:
Address:

ABA:

E-mail: philbicmailbox@phil.frb.org

File(s) as of Date:

Run Date:

SUBMIT COLLATERAL SCHEDULE WITHIN 5 DAYS OF THE FILE(S) AS OF DATE:

The Collateral Described Below is Pledged to the Federal Reserve Bank of Philadelphia for (mark one) Federal Reserve Treasury Investment Program

Category of Collateral	Call Report # (Schedule RC-C)	# of Loans	Amount of Pledge
U.S Agency Guaranteed Loans (SBA, RHS, EX-IM)			
U.S Agency Non-Guaranteed Loans			
Commercial Loans Minimal Risk Rating	4.a		
Commercial Loans Normal Risk Rating	4.a		
Comm Real Estate Loans Minimal Risk Rating (incl Multifamily & Farmland)	1.b., 1.d., 1.e.(1), 1.e.(2)		
Comm Real Estate Loans Normal Risk Rating (incl Multifamily & Farmland)	1.b., 1.d., 1.e.(1), 1.e.(2)		
Construction Real Estate Loans Minimal Risk Rating	1.a.(1), 1.a.(2)		
Construction Real Estate Loans Normal Risk Rating	1.a.(1), 1.a.(2)		
Raw Land Minimal Risk Rating	1.a.(2)		
Raw Land Normal Risk Rating	1.a.(2)		
Private Banking Loans	N/A		
Mortgage Loans (1 to 4 family) 1st Lien	1.c.(2)(a)		
Mortgage Loans (1 to 4 family) 2nd Lien/Home Equity	1.c.(2)(b), 1.c.(1)		
Student Loans, Guaranteed/DOE	6.d		
Student Loans, Non-Guaranteed	6.d		
Credit Card Receivables, Prime	6.a		
Credit Card Receivables, Subprime	6.a		
Consumer Loans			
Auto Loans, Mobile Home, Boat	6.c, 6.d.		
Other (secured)	6.b, 6.d.		
Consumer Loans, Unsecured Prime	6.b, 6.d.		
Other (Specify)			

Is Currently Authorized to Pledge:

FOR FRB USE ONLY

A signature on this cover sheet certifies that:

- (a) All loans included in the pledge are owned by the pledging institution (or held in a pre-approved affiliate pledge arrangement) and maintained free of any adverse claim.
- (b) No loans included in the pledge are past due more than 30 days (60 days for consumer, mortgage, and student loans), on non-accrual status, or classified (Note: Credit card pools may include receivables past due more than 60 days).
- (c) No loans to insiders (per Regulation O), affiliates/subsidiaries, or foreign obligors are included in the pledge.
- (d) A new collateral listing is required if the pledge amount for a category changes by 10% or more before the next collateral listing update is due. A change of 10% or greater must be explained in the reporting e-mail.
- (e) This cover letter and the accompanying loan detail information together constitute a Collateral Schedule as defined in Operating Circular 10.

Submitted By:	Signature	Title	Print Name	Date
Submitted By:	Signature	Title	Print Name	Date

Revised: 07/14/2015

Collateral Pledging Authorization Form

[Custodian Letterhead]

[Date]

FRB

Please accept this letter as notice of the intent of _____ (“Custodian”) to submit loan pledge documentation to the Federal Reserve Bank of _____ via e-mail in our capacity as Third Party Custodian of _____ (“DI”). The following individuals are hereby authorized to transmit this information to you via email:

Name	Title	E-mail Address	Phone Number

Custodian agrees that any email the Reserve Bank receives at [FRB EMAIL ADDRESS] that appears to be from any of the above listed email addresses (or from any of the authorized email addresses of our DI, forwarding an email from such address) that includes as attachments:

- (i) the Cover Letter and
- (ii) a loan detail file meeting the Reserve Bank’s specifications,

shall for all purposes be deemed identical to non-electronic pledge documents containing the same information.

Custodian accepts full responsibility for the successful transmission and receipt of information sent through electronic means.

Thank you,

[Custodian]

By: _____

Name:

Title: