



FEDERAL RESERVE BANK OF CHICAGO

Borrower-In-Custody ("BIC") of Collateral Program Application

To be Completed by Depository Institution Only
(effective: 06/01/2017)

Institution Information

Today's Date:	
ABA (Routing Number):	
Institution Legal Name:	
Address:	
City:	
State:	
Zip Code:	

Contact Information

	Name	Title	Phone	Email
Primary Contact Info:				
Secondary Contact Info:				

Application

1.	Please indicate how your institution is intending on using the BIC arrangement.			
	Federal Reserve		US Treasury	
2.	Please indicate what loan types your institution intends to pledge and the documentation that is kept in each loan file.			
	Commercial Loans, Industrial Loans, and Leases			
		Promissory Note		Guaranty
		UCC Filing		Insurance
		Security Agreement		Title
		Participation Note		Other
	Agricultural Loans			
		Promissory Note		Guaranty
		UCC Filing		Crop Insurance
		Security Agreement		Insurance
		Title		Other
	Agricultural Real Estate Loans			
		Promissory Note		Appraisal
		UCC Filing		Crop Insurance
		Security Agreement		Hazard Insurance
		Title		Title Policy
				Other
	Commercial Real Estate Loans			
		Promissory Note		Guaranty
		Mortgage/Deed of Trust		Assignment of Rents
		Security Agreement		Appraisal
		Hazard Insurance		Participation Note
		Title Policy		Other
	Residential Real Estate Mortgage Loans			
		Promissory Note		Torrens Certificate
		Mortgage/Deed of Trust		Appraisal
		Title Policy		Hazard Insurance
				Other
	Home Equity Loans or Lines of Credit			
		Promissory Note		Hazard Insurance

	Mortgage/Deed of Trust		Appraisal/Property Valuation
	Title Policy		Title Search
			Other
Commercial and Residential Construction Loans			
	Promissory Note		Guaranty
	Mortgage/Deed of Trust		Hazard Insurance
	Title Policy		Title Search
	Appraisal		Other
Raw Land Loans			
	Promissory Note		Guaranty
	Mortgage/Deed of Trust		Assignment of Rents
	Security Agreement		Appraisal
	Hazard Insurance		Participation Note
	Title Policy		Other
Consumer Loans			
	Promissory Note		Insurance
	Security Agreement		Title
	UCC Filing		Other
<i>If you would like to pledge SBA loans or other US Agency Guaranteed loans, please contact the FRBC for additional information.</i>			

3.	Please identify where the legal documentation for the pledged loans will be located.		
	Document	Location(s) Including Address, City, State, Zip	
	Promissory Note		
	Other Legal Documentation		
<i>If the location of pledged collateral moves or changes for any reason, the Federal Reserve Bank of Chicago should be notified immediately.</i>			
4.	Are loans stored at multiple Locations?		
	YES	NO	
If so, the location of each loan must be indicated on the monthly collateral listing. If a branch/location code is utilized in the monthly collateral listing, please provide a list of the codes with the corresponding addresses:			
5.	Does your institution image loan documentation?		
	YES	NO	
	Does your institution then destroy any imaged loan documentation?		
	YES	NO	
<i>Loans whose legal documentation has been destroyed can only be pledged under an arrangement explicitly approved by the Federal Reserve Bank of Chicago.</i>			
6.	Does your institution utilize a servicer for the maintenance or storage of the loans you are intending to pledge to the FRBC?		
	YES	NO	
<i>Please contact the Federal Reserve Bank of Chicago for more information on these arrangements. You may be required to complete an additional Loan Servicer Certification if you have not already done so.</i>			
7.	What software do you use to board and house loan information?		
	Please name the vendor(s) and product(s) used.		
8.	Pledging institutions must take steps to protect pledged loans from physical damage, loss, and theft. Please indicate how pledged loans are protected physically (select all that apply):		
		Stored in fireproof cabinets/vault	
		Access to storage is limited and secure	
		Access to storage is tracked or monitored	
	Other		

9.	Pledging institutions must take steps to notify other parties that the Federal Reserve has a security interest in certain loans. Please indicate how the loans are identified as being pledged to the Federal Reserve Bank of Chicago:		
		Visible notice in custody area	
		Label on individual files	
		Loan system identifies pledged loans with the following code:	
		Physical segregation of pledged loans from other loans	
		Other	
10.	Is your institution a member of the Federal Home Loan Bank and/or a Corporate Credit Union?		
	YES		NO
	If so, which loan types are currently being pledged to the FHLB/CCU?		
11.	Do you pledge or sell loans to other institutions?		
	YES		NO
	If so, which institutions and what loan types are pledged/sold?		
12.	Do loans you plan to pledge designate your institution as lender or payee?		
	YES		NO
	<i>If no, please contact the Federal Reserve Bank of Chicago for information on specific policies regarding the above.</i>		
13.	Is your institution pledging loan participations?		
	YES		NO
	Only the portion of the participation retained or purchased by your institution is eligible for pledge. Please explain how this is accurately reported on the monthly listing.		
	Are these participation loans originated at your institution or purchased?		
	Originated		Purchased
	If your institution purchased the loan, does your institution have copies of the loan documents and an original participation certificate/agreement to evidence your institution's interest?		
	YES		NO
	<i>If no, please contact the Federal Reserve Bank of Chicago for additional information concerning pledging participation loans.</i>		
14.	Is your institution pledging loan syndications?		
	YES		NO
	Only the portion of the syndication retained by your institution is eligible for pledge. Please explain how this is accurately reported on the monthly listing.		
	Does your syndication contain an original note?		
	YES		NO
	<i>If no, please contact the Federal Reserve Bank of Chicago for additional information concerning pledging syndication loans.</i>		
15.	Which pledged loan types are participations or syndications? Please identify both the loan type and the collateral type or put N/A for not applicable.		
16.	How does your institution ensure that there are no restrictions, including consent and transferability restrictions, which would prevent you from pledging the loans to the FRBC?		
17.	Does your institution utilize internal loan risk ratings to monitor the credit quality of individual loans?		
	YES		NO
	If so, to which loan types do the risk ratings apply?		
	If no, please describe the methodology used to monitor the credit quality of individual loans.		
18.	Does your institution have an internal/external audit function that periodically reviews your loans? Explain.		

19.	Does your institution have a system for tracking loan legal documentation exceptions? Explain.				
20.	How often are loan files reviewed for completeness and accuracy?				
21.	How will you ensure loans with documentation exceptions are not pledged? <i>Loans with documentation exceptions are not eligible for pledge and should be removed immediately.</i>				
22.	It is a requirement of the BIC program that if the aggregate outstanding principal balance of the loans on the most recently submitted pledge listing decreases by 10% or more between reporting periods, a new/updated pledge listing and cover letter must be submitted immediately. Please explain how you intend to monitor your pledge to meet this requirement.				
23.	Does your institution engage in lending to foreign obligors?				
	<table border="1"> <tr> <td>YES</td> <td></td> <td>NO</td> <td></td> </tr> </table>	YES		NO	
YES		NO			
	In general, loans made to foreign obligors cannot be pledged to the Federal Reserve Bank of Chicago unless specifically authorized. If your institution makes loans to foreign obligors, but is not permitted to pledge them, indicate below how these loans are excluded from pledge.				

Once Form Is Completed

Please submit the following documentation with this application:

1. The portion of your loan policy that defines your internal loan rating system(s) for the type(s) of loans you intend to pledge.
2. The most recent internal/external audit report(s) pertaining to the loan type(s) you intend to pledge, including management responses to any findings.
3. Forced placed insurance policy (if applicable).
4. Dealer floor plan policy (if applicable).

Please email all documentation to either:

Name	Email Address	Phone
Chicago Collateral Mailbox	collateral@chi.frb.org	(800) 380-3762

*For additional information, please call Caroline Fuir, BIC Coordinator at:
(312) 322-2360*

Authorization

Please have the appropriate officials of your institution review and sign this form

I have reviewed the above responses to the Borrower-in-Custody Certification and attest that the responses are accurate.

Authorized Signature*

Name and Title

Date

Authorized Signature*

Name and Title

Date

[* The number of authorized signers depends on the designations provided in the Operating Circular 10 (OC-10) Authorizing Resolution on file with the Federal Reserve Bank of Chicago*]