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| **Federal Reserve Bank** BORROWER-IN-CUSTODY OF COLLATERAL CERTIFICATION **to be completed by depository institution** | |
| Institution Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ABA#: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | City/State: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Contact (primary):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Telephone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *e-mail address*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Contact (collateral/operations):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Telephone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  *e-mail address*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Collateral Types: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Commercial Loans; Commercial Real Estate Loans; Construction Loans; Land Loans; 1st and/or 2nd Lien 1-4 family mortgage loans, consumer loans, installment loans, home equity loans, student loans, auto loans and leases | |
| **A. Please answer the following questions**. | |
| 1. Indicate below how your institution uses the BIC arrangement? | |
| Discount Window  Treasury Tax & Loan (*your institution must complete separate agreements with the TT&L Division of the Federal Reserve Bank to use BIC collateral for the Special Direct Investment (SDI) program)*  Payments System Risk | |
| 2. Indicate the type of documentation evidencing the loans that are being pledged to the Federal Reserve Bank under the BIC arrangement. *Note: All documentation must be original (check all that apply)* | |
| promissory note  installment note  revolving note  DEED OF TRUST/MORTGAGE  Participation Note  Syndicated Note  other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| 3. Indicate other agreements being maintained between your institution and the borrower relating to the loan arrangments*.* | |
| credit agreement security agreement other (please specify) \_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ | |
| 4. Please provide the address, city, and state where the above referenced collateral is located. | |
| **Notes:** | |
| **Credit agreements and other documents**: | |
| 5. Does your institution utilize a servicer for maintaining or storing the loan documentation? If yes, please provide the name, address, city and state. | |
| **Notes:** | |
| **Credit agreements and other documents**: | |
| 6. Is the servicer affiliated with your institution? Is the servicer a subsidiary of your institution? If so, describe the nature of the affiliation. | |
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| 7. Are the notes made payable to your institution? | |
| Yes No | |
| 8. If no, which entity are the notes originated by? | |
| An affiliate of your institution  A subsidiary of your bank holding company  Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| 9. If the loans were not originated by your institution, how were the loans assigned or transferred to your institution? | |
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| 10. Are there loan participations in the collateral pledged to us? | |
| Yes  No | |
| 11. If yes, does your institution have the original participation certificates or participation agreement to evidence this? | |
| Yes  No | |
| 12. Are there any restrictions that would limit or restrict assignablity? | |
| Yes  No | |
| 13. Are there any further obligations to lend funds under these participations? | |
| Yes  No | |
| 14. Do the notes exist in only electronic form? These could be notes that (1) originally existed in tangible form that have been converted to electronic (imaged) copies and the original paper copies have been intentionally destroyed, or (2) were originated in electronic form. If so, please complete the “Imaged and Electronically-Originated Loans Questionnaire” and return it with this Certification. | |
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| 14. Describe the physical storage facility where the notes are held (e.g. vault, teller area, etc.). How is the collateral protected against loss from fire, theft and other dangers? | |
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| 15. How does your institution monitor access and the removal of key documents from the collateral area? | |
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| 16. Indicate below how your institution identifies the collateral as pledged to the Federal Reserve Bank? *It is a requirement of the Borrower-in-Custody Program that collateral pledged to the Federal Reserve Bank be identified prominently at participating institutions.* | |
| Notation on General Ledger  Notation on Individual Loan Records in the Loan System  Label on Individual Loan Files  Physical Segregation of the Collateral  Visible Notice in Specific Custody Area  Other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| 17. How does your institution monitor collateral levels ensuring that the pledge balance does not fall below the stated guidelines? *Note: it is a requirement of the Borrower-In-Custody guidelines that monthly collateral levels do not fall below 10 percent of value between reporting dates*.  *If such a decline occurs, management must provide us with an updated collateral schedule.* | |
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| 18. Explain the method by which loans are monitored to ensure that matured, delinquent, or sold loans are removed from the collateral pool in a timely manner. | |
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| 19. What was the date of the last internal audit review of your institution’s loan portfolio relating to these pledged loans? Please comment on the findings noted in the audit and any subsequent action taken. Please describe the audit process that was involved? | |
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| 20. Does any other party have a lien (Blanket or Specific) on the loans being pledged to the Federal Reserve? | |
| Yes  No  If Yes, please list the name of the organization(s) that has a lien on the loans being pledged to the Federal Reserve (i.e. FHLB, Corporate Credit Union, other):  Organization:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Contact:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| *21. Does your institution engage in lending to foreign obligors?* | |
| Yes  No  If Yes, explain how your institution complies with the eligibility and acceptance criteria established by the Reserve Bank.   * in general, foreign obligor loans are not accepted as collateral unless a legal opinion is submitted to and deemed satisfactory by the Reserve Bank. foreign obligor loans are loans to entities that are incorporated outside of the u.s. or whose principle place of business or main office is outside of the u.s. in the case of loans that rely on the strength of guarantors, the domicile of the guarantor determines the classification. | |

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| Please provide the following required information:  1. Provide a trial balance for loans being considered for pledge. **Not required for existing loan pledges**. 2. Provide a copy of the delinquent loan report. 3. Provide the names of acquired financial institutions in which current, pledged loans originated. 4. Provide a copy of your institution’s most recent internal audit covering applicable loan operations areas. 5. Provide a complete copy of your institution’s internal risk grading system(s). 6. Provide the name and telephone number of a contact at your primary regulator. We will need to contact this individual to obtain the latest examination data that is available on your organization. 7. Provide a complete copy of your institution’s loan policy relating to loans pledged. 8. Any additional information needed to support questionnaire comments. |
| **Send all documentation in *one* mailing to:** |
| Federal Reserve Bank of Kansas City  Credit and Risk Management Department  1 Memorial Drive  Kansas City, Missouri 64198  For more information, please call the Credit & Risk Management Department collateral area at (800) 333-2987. |

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| B. 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\* Title Date  [\*As required by the Borrowing Resolution on file with the Federal Reserve Bank] |
| I certify that I am in receipt of and have reviewed the Federal Reserve Bank of Kansas City’s Operating Circular 10, issued as of October 15, 2006. Further, I attest that all relevant internal policies and procedures have been reviewed and examined for Borrower-In-Custody program conformance and confirm this institution to be in compliance.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_  Authorized Signature\*\* Title Date  [\*\* External auditor, internal auditor, or responsible director] |