**Collateral Schedule Confirmation**

Dated:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“BANK”), in connection with discount window access and/or the pledging of collateral to the Federal Reserve Bank of San Francisco (“FRBSF”), has agreed to the terms and conditions of the Federal Reserve’s Operating Circular No. 10 (“OC-10”) and has been approved or has an application pending for the Federal Reserve’s Borrower-In-Custody Program (“BIC”). Pursuant to OC-10 and those certain BIC guidelines provided to BANK (“BIC Guidelines”), BANK is responsible for the preparation and submission to FRBSF of a periodic schedule of collateral it is pledging to secure discount window advances and other obligations made to or incurred by BANK (“Collateral Schedule”). The Collateral Schedule is to be prepared in conformity with the BIC Guidelines. I hereby represent that, to the best of my knowledge in my capacity as \_\_\_\_\_\_\_\_\_ of BANK, the Collateral Schedules and related pledging documents, i.e., BIC 1, delivered to FRBSF are, in all material respects, true and accurate and represent only assets currently owned by this institution without any existing liens or encumbrances.

I further acknowledge that BANK is responsible for establishing and maintaining effective internal controls over the systems used to create the Collateral Schedule and that BANK has assessed these controls. Based on this assessment, I believe that BANK’s existing internal controls over the recordation of data elements used in the preparation of the Collateral Schedule provide reasonable assurance regarding the accuracy and reliability of such data elements.

Furthermore, pursuant to Section 7.6(e) of OC-10, FRBSF has set forth the following additional guidelines, and BANK agrees to comply with these requirements:

* BANK will provide FRBSF with thirty (30) days advanced written notice, as well as a revised Appendix A to Operating Circular 10, prior to changing the location of any of the pledged collateral, including any changes to the storage location or service of electronic loan collateral, listed in the Collateral Schedule.
* The Collateral Schedule should only contain eligible loans in accordance with the asset type, e.g., consumer loans, commercial loans, electronic loan collateral etc., that FRBSF has approved for pledging and that meet the credit worthiness criteria set forth in BANK’s acceptance letter when BANK was approved as a BIC program participant or in the BIC Guidelines.
* BANK will provide a new (accelerated) Collateral Schedule any time there is a decrease in the outstanding principal balance of an active pledge by 10%, or more.
* BANK will provide a new Collateral Schedule Confirmation to FRBSF annually or as otherwise directed by FRBSF.
* BANK will make annotations on its loan trial system for each loan that it has pledged to FRBSF.
* BANK will not grant any third party control of electronic loan collateral pledged to FRBSF.

CEO, CFO, CCO or other executive level officer listed on the financial institution’s OC 10 Official Authorization List.