

**FEDERAL RESERVE BANK OF NEW YORK
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 TYPE: **One-To-Four Family Mortgage Loans**

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 OF NEW YORK TO USE BIC COLLATERAL FOR THE SPECIAL DIRECT INVESTMENT (SDI) PROGRAM*)
- PAYMENTS SYSTEM RISK

2. INDICATE THE TYPE OF DOCUMENTATION SUPPORTING THE LOANS THAT ARE BEING PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK UNDER THE BIC ARRANGEMENT. *NOTE: ALL DOCUMENTATION MUST BE ORIGINAL. (CHECK ALL THAT APPLY)*

- PROMISSORY NOTE MORTGAGE TITLE POLICY TORRENS CERTIFICATE
- APPRAISAL DEED OF TRUST
- OTHER (PLEASE SPECIFY) _____

3. PLEASE PROVIDE THE ADDRESS, CITY, AND STATE WHERE THE MORTGAGE FILES AND ALL ORIGINAL MORTGAGE LOAN DOCUMENTS ARE (E.G. NOTE, TRUST DEED OR MORTGAGE) HELD? *NOTE: THAT ALL LOAN DOCUMENTATION MUST BE ORIGINAL.*

NOTES:

OTHER DOCUMENTS:

4. DESCRIBE THE PHYSICAL STORAGE FACILITY WITHIN YOUR BANK OR AT AN OFF-PREMISE SITE WHERE THE PLEDGED COLLATERAL IS HELD (E.G. VAULT, TELLER AREA, ETC.). HOW IS THE COLLATERAL PROTECTED AGAINST LOSS FROM FIRE, THEFT AND OTHER DANGERS?

NOTES:

OTHER DOCUMENTS:

5. HOW DOES YOUR INSTITUTION MONITOR ACCESS AND THE REMOVAL OF KEY DOCUMENTS FROM THE COLLATERAL AREA?

6. HOW HAS YOUR BANK IDENTIFIED THE COLLATERAL AS PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK? *IT IS A REQUIREMENT OF THE BORROWER-IN-CUSTODY PROGRAM THAT MORTGAGE LOANS PLEDGED TO US BE IDENTIFIED.*

- NOTATION ON GENERAL LEDGER
- LABEL ON INDIVIDUAL FILES
- VISIBLE NOTICE IN SPECIFIC CUSTODY AREA
- PHYSICAL SEGREGATION OF THE COLLATERAL
- OTHER (PLEASE SPECIFY) _____

7. ARE THE NOTES MADE PAYABLE TO YOUR INSTITUTION?

YES NO

8. IF NO, WHICH ENTITY ORIGINATES MORTGAGE LOANS?

A SUBSIDIARY 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 YOU?

10. ARE THERE LOAN PARTICIPATIONS IN THE COLLATERAL PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK?

YES NO

11. IF YES, DO YOU HAVE THE ORIGINAL PARTICIPATION CERTIFICATES OR PARTICIPATION AGREEMENT TO EVIDENCE THIS?

YES NO

12. 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.*

13. 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.

14. EXPLAIN HOW YOUR INSTITUTION SCREENS MORTGAGE LOANS TO ENSURE THAT ONLY ONE-TO-FOUR FAMILY, OWNER OCCUPIED MORTGAGE LOANS ARE PLEDGED (E.G., COMPUTER CODES, ETC.). *THE BORROWER-IN-CUSTODY AGREEMENT PROHIBITS CONSTRUCTION, GOVERNMENTAL, RENTAL AND SECONDARY RESIDENCE (E.G. VACATION HOMES) LOANS FROM BEING PLEDGED TO OUR BANK.*

15. EXPLAIN THE METHOD BY WHICH PAYMENT OF PROPERTY TAXES IS MONITORED.

16. EXPLAIN THE METHOD BY WHICH PROPERTY INSURANCE POLICIES ARE KEPT CURRENT FOR BOTH ESCROWED AND NON-ESCROWED CUSTOMERS. IS THERE CURRENT PROPERTY INSURANCE COVERAGE ON ALL MORTGAGE LOANS PLEDGED?

17. WHAT WAS THE DATE OF THE LAST INTERNAL AUDIT REVIEW 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?

18. DOES YOUR INSTITUTION UTILIZE A SERVICER FOR THE MAINTAINING OR STORING OF THE ABOVE REFERENCED COLLATERAL? IF YES, PLEASE PROVIDE THE NAME ADDRESS, CITY AND STATE.

NOTES:

CREDIT AGREEMENTS AND OTHER DOCUMENTS:

19. IS THE SERVICER AFFILIATED WITH YOUR INSTITUTION? IS THE SERVICER A SUBSIDIARY OF YOUR INSTITUTION?

20. DOES ANY OTHER PARTY HAVE A LIEN (BLANKET OR SPECIFIC) ON THE LOANS BEING PLEDGED TO THE FEDERAL RESERVE OF NEW YORK?

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 OF NEW YORK (I.E. FHLB, CORPORATE CREDIT UNION, OTHER):

ORGANIZATION: _____

CONTACT: _____

PHONE: _____

B. AUTHORIZATION

PLEASE HAVE THE APPROPRIATE OFFICIALS OF YOUR INSTITUTION REVIEW AND SIGN THIS FORM.

I certify that I am in receipt of, and have reviewed the Borrower-In-Custody of Collateral Program Guidelines and Operating Circular 10. 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

Print Name

*I am an ___ internal auditor ___ external auditor or ___ responsible director.

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

Authorized Signature**

Title

Date

Print Name

Authorized Signature**

Title

Date

Print Name

[**Authorized individuals listed on the Borrowing Resolution or the List of Official Signatures for Pledging Assets on file with the Federal Reserve Bank of New York]

Note: Adobe Writer is required in order to enter information into this document. Please contact the Discount Window if you prefer a Word version of this document.

Send all documentation in one mailing to:

Federal Reserve Bank of New York
33 Liberty Street, 9th Floor
New York, NY 10045
Attention: Discount Window Staff

For more information, please call the Discount Window hotline at 1-866-226-5619.