

**FEDERAL RESERVE BANK OF NEW YORK
BORROWER-IN-CUSTODY (BIC) OF COLLATERAL
CERTIFICATION FORM**

A. INSTITUTION INFORMATION

Institution Name: _____	Contact (primary): _____
Address: _____	Telephone: _____
City/State/Zip: _____	E-mail address: _____
ABA: _____	Contact (secondary): _____
Primary Regulator (Agency Name): _____	Telephone: _____
_____	E-mail address: _____

New BIC Existing BIC

Note: If this is an application for a new BIC, please respond to the questions indicating the method that you would employ to meet the established BIC program requirements.

Prior to completing this form, verify if an updated version is available at the following link: http://www.newyorkfed.org/banking/collateral_pledging_forms.html. If needed, contact the Discount Window at Discount.Collateral@ny.frb.org for a Microsoft Word version of this form. Handwritten certifications will not be accepted.

Indicate the Loan Collateral Type In the BIC

If your institution is pledging multiple loan types that are not monitored/maintained using the same method or are maintained by different business lines or separate locations, please prepare a separate certification form.

For each loan type that is pledged, indicate the type of documentation supporting the loan. Use Exhibit A to indicate this information.

<input type="checkbox"/> Agricultural Loans	<input type="checkbox"/> Commercial Loans	<input type="checkbox"/> Commercial Real Estate Loans	<input type="checkbox"/> Construction Real Estate Loans
<input type="checkbox"/> Equipment Leases	<input type="checkbox"/> Export-Import Bank Guaranteed Loans*	<input type="checkbox"/> U.S. Agency Guaranteed Loans**	<input type="checkbox"/> Auto Loans/Auto Leases
<input type="checkbox"/> Home Equity Loans/Lines	<input type="checkbox"/> Manufactured Homes	<input type="checkbox"/> One-to-Four Family Mortgages	<input type="checkbox"/> Personal Loans
<input type="checkbox"/> Private Banking	<input type="checkbox"/> Student Loans	<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

*Only loans under the Medium and Long Term Guarantee Program are eligible

**Agency guaranteed must be 100 percent guaranteed

B. BIC OVERVIEW AND SUPPORTING DOCUMENTATION

1. In regards to original loan documentation, does your institution do any of the following:

Image and Destroy Image and Store at a Third Party Location Not applicable

Note: If you select one of the above image options, you must complete the appropriate imaging addendum at the

following link: http://www.newyorkfed.org/banking/collateral_pledging_forms.html

2. Do the loans that are pledged to the Federal Reserve Bank of New York designate your institution as lender or payee? Yes No

3. If no, by which entity are the loans originated?

- A subsidiary of your institution
- A subsidiary of your bank holding company
- Other (please specify) _____

4. If the loans were not originated by your institution, how were the loans assigned or transferred?

4a. Has your institution filed a UCC-1 against the transferor?

Yes No, please explain below

5. If your institution is pledging participation loans, does your institution have the original participation certificates or participation agreement to evidence this?

N/A Yes No, please explain below

6. If pledged loans are part of a participation or syndication, describe the credit review that your institution applies to the loans to ensure they remain eligible for pledging?

Note: Financial institutions that are involved in participation and syndication arrangements are expected to evaluate the borrower's ability to meet their own institution's standards for creditworthiness.

7. Loans with assignment or transfer restrictions are not eligible for pledging. Are there any restrictions that would limit or restrict assignability?

Yes No

8. For commercial type loans, does your institution pledge loans that are secured by underlying collateral?

Yes No

If Yes, please explain the method(s) utilized for perfecting your security interest (e.g. Uniform Commercial Code, Federal Aviation Administration, etc.) on the underlying collateral?

9. In the event of a failure by your institution to repay a Discount Window advance, the Federal Reserve Bank of New York may take possession of the pledged collateral. Does the documentation of the pledged collateral purport to impose any obligation by the Federal Reserve Bank to lend to your institution's customers?

Yes, please explain below No

10. If your institution is a foreign banking organization, will all the loans pledged to the Federal Reserve Bank of New York be booked to this branch office?

N/A Yes No, please explain below

11. Does your institution plan to pledge any loans that are made to foreign obligors?

Yes No

11a. If yes, does this include loans other than Exim-Bank Loans? Yes, please explain below No

IN GENERAL, FOREIGN OBLIGOR LOANS ARE NOT ACCEPTED AS COLLATERAL UNLESS A LEGAL OPINION IS SUBMITTED TO AND DEEMED SATISFACTORY BY THE FEDERAL RESERVE BANK OF NEW YORK. 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.

12. Does any other party have a lien (blanket or specific) on the loans pledged to the Federal Reserve Bank 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 Bank of New York (e.g. FHLB, Corporate Credit Union, Other):

Organization: _____

Contact: _____ Phone: _____

C. STORAGE AND SERVICING

All documents should be stored in a fire-resistant environment where physical access is controlled, limited to specific individuals, and the removal of documentation is tracked.

13. Please provide the institution name, address, floor number, city, state and zip code where the collateral is located. If your institution is using a servicer, skip to the next question.

Name of Institution:

Location of Promissory Notes:

Location of Credit Agreements and Other Supporting Documents (only if different from location of promissory notes):

14. Does your institution utilize a servicer to maintain or store the pledged collateral? If yes, please provide servicer name and location.

Yes No

Name of Servicer:

Servicer Address (include floor number):

Key Servicer Contacts (provide name, title and phone number):

- A. Is the servicer affiliated with your institution? Yes No
 B. Is the servicer a subsidiary of your institution? Yes No
 C. Does the servicer have a contingency plan should there be a disruption in service?
 Yes No

If yes, briefly describe the plan:

15. Describe the physical storage facility where the pledged collateral is held. Provide details regarding the type of storage (e.g. locked file cabinets) and location of storage (e.g. vault, file room, etc.).

Physical storage facility for promissory notes:

Physical storage facility for supporting documents (only if different from location of promissory notes):

16. How is the collateral protected against loss from fire, theft and other hazards? Provide details.

17. How does your institution monitor access to and the removal of key documents from the collateral area?

D. COLLATERAL IDENTIFICATION AND MONITORING

18. It is a requirement of the BIC program that collateral pledged to the Federal Reserve Bank of New York must be prominently identified at your institution. Indicate below how your institution identifies the collateral as pledged to the Federal Reserve Bank of New York. Refer to the BIC Guidelines for required collateral identification. Select all that apply.

- Notation on General Ledger/Loan System
Explain Notation (e.g. code used):
- Label on Individual Physical Files
Label on File Reads as Follows:
- Visible Notice in Specific Custody Area
Notice Reads as Follows:
- Physical Segregation of the Collateral
- Other (please specify): _____

It is a requirement of the BIC program that if the aggregate outstanding balance of the loans on the most recently submitted pledge decreases by 10 percent or more between reporting periods, you must immediately notify the Federal Reserve Bank of New York and update your collateral schedule.

Note: *If your institution pledges multiple BIC arrangements, the 10 percent requirement applies to each BIC arrangement. Daily monitoring is recommended. Please note that if you are a weekly reporter or are pledging a pool of loans where the outstanding balance is constantly fluctuating, weekly monitoring may*

not be sufficient.

19. How does your institution monitor collateral levels between reporting periods? Provide details.

19 a. How does your institution notify the Federal Reserve Bank of New York when there is a decline of 10 percent or more between reporting periods? Provide details.

19 b. How frequently are the loans monitored? Daily Weekly Other, please explain below

20. 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. Provide details.

20 a. How frequently are the loans monitored? Daily Weekly Other, please explain below

E. LOAN QUALITY

21. If you are pledging commercial loans, commercial real estate loans, construction loans or other commercial type loans, please provide the requested documentation and answer questions 21 to 23a.

- Provide a copy of your institution's most recent loan review completed by your loan review department (internal or external).
- Provide a copy of your most recently approved internal risk rating scale with definitions for each category.

- Please describe any changes in your institution's internal risk rating system since the last examination conducted by your regulator. If there were no changes, please indicate this.

- Are loan ratings based on borrower credit worthiness or do they reflect a combination of borrower credit worthiness and collateral secured from the borrower and/or third party guarantees?

22. Please describe your institution's loan review process, including the frequency and scope of credit reviews.

22 a. Were differences in risk ratings found at the last loan review? If so, how were such discrepancies addressed?

23. The Discount Window requires that the institution monitor that no more than 25 percent of the collateral pledged is concentrated to a single borrower or industry.

23a. Does your institution have a policy to ensure that loans are not unduly concentrated to any one industry or borrower? Provide details.

24. What was the date of the last internal audit review of the pledged loans or the proposed pledged loans?

Please provide a copy of the audit report pertaining to the pledged loans, including management's response to any findings. For new BIC applicants, submit the most recent audit report pertaining to the proposed loan type(s).

25. If a risk rating system is not utilized (non commercial type loans), how is credit quality monitored?

F. Questions 26 to 28 are specific to One-to-Four Family Mortgages, Home Equity Loans and Manufactured Homes

If your institution is pledging more than one of the above listed types, please make a distinction if the process is different.

26. Explain how your institution screens mortgage loans to ensure that only one-to-four family, owner occupied loans are pledged (e.g., computer codes, etc). The Borrower-in-Custody agreement prohibits co-ops, construction, governmental, rental and secondary residence (e.g. vacation homes) loans from being pledged.

27. Explain the method by which payment of property taxes are monitored.

28. Explain the method by which property insurance policies are kept current for both escrowed and non-escrowed customers.

28 a. Is there current property insurance coverage on all pledged loans? Yes No

Below is a list of minimum required supporting documentation by loan type. Minimum documentation requirements are subject to change and the FRBNY reserves the right to request additional supporting documentation evidencing the debtor's obligation including payment status and history.

Please note that references to the credit agreement includes, loan agreements, participation agreements, syndication agreements, or any other agreement that details the terms and conditions of the loan.

Any modifications, amendments and addendums to the supporting documentation should be included in your files.

Indicate the type of documentation supporting the loan types pledged.

Agricultural Loans	<input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Appraisal <input type="checkbox"/> Crop insurance <input type="checkbox"/> Other (please specify) _____
Commercial Loans	<input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Allocation/Commitment schedule for participations and syndications <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Lease agreement <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Other (please specify) _____
Commercial Real Estate Loans	<input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Allocation/Commitment schedule for participations and syndications <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Assignment of Leases and Rents <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Appraisal <input type="checkbox"/> Other (please specify) _____
Construction Real Estate Loans	<input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Allocation/Commitment schedule for participations and syndications <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Assignment of Leases and Rents <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Appraisal <input type="checkbox"/> Other (please specify) _____

<p>Equipment Leases</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Promissory note <input type="checkbox"/> Lease agreement <input type="checkbox"/> Allocation/Commitment schedule for participations and syndications <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Assignment of Leases and Rents <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Financing statements with recording receipts <input type="checkbox"/> Other (please specify) _____
<p>Export-Import Bank Guaranteed Loans</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Allocation/Commitment schedule for participations and syndications <input type="checkbox"/> Assignment and Assumption agreement <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Evidence that the loan is under the Medium or Long Term Program <input type="checkbox"/> Other (please specify) _____
<p>Auto Loans and Auto Leases</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Installment contract <input type="checkbox"/> Lease agreement <input type="checkbox"/> Title <input type="checkbox"/> Other (please specify) _____
<p>Home Equity Loans and Lines of Credit</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Promissory note <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Appraisal <input type="checkbox"/> Other (please specify) _____
<p>Manufactured Homes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Promissory note <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Title policy, attorney certificate, or Torrens certificate <input type="checkbox"/> Appraisal <input type="checkbox"/> Home insurance coverage <input type="checkbox"/> Evidence of Private Mortgage Insurance (PMI) <input type="checkbox"/> Status of property tax payment <input type="checkbox"/> Other (please specify) _____
<p>One-to-Four Family Mortgages</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Promissory note <input type="checkbox"/> Mortgage/Deed of trust (recorded) <input type="checkbox"/> Title policy, attorney certificate, or Torrens certificate <input type="checkbox"/> Appraisal <input type="checkbox"/> Home insurance coverage <input type="checkbox"/> Evidence of Private Mortgage Insurance (PMI) <input type="checkbox"/> Status of property tax payment <input type="checkbox"/> Other (please specify) _____

Personal Loans	<input type="checkbox"/> Installment contract <input type="checkbox"/> Promissory note <input type="checkbox"/> Security agreement <input type="checkbox"/> Other (please specify) _____
Private Banking	<input type="checkbox"/> Promissory note <input type="checkbox"/> Credit agreement <input type="checkbox"/> Security agreement <input type="checkbox"/> Guarantor agreement <input type="checkbox"/> Other (please specify) _____
Student Loans	<input type="checkbox"/> Promissory note <input type="checkbox"/> Other (please specify) _____
	Use the space below to add other eligible loan types not listed above.
Other (specify)	
Other (specify)	

A. AUTHORIZATION

PLEASE HAVE THE AUDITOR AND 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

Print Name

Authorized Signature* Title Date

Print Name

*Authorized individuals listed on the Borrowing Resolution (line 2) or the Official OC-10 Authorization List as a pledgor.

I certify that I am in receipt of, and have reviewed the Federal Reserve Bank of New York's 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

Please indicate your institution's audit cycle: 12 months 18 months Other _____

I am an ___internal auditor ___external auditor ___responsible director*

*The director must not be directly responsible for discount window borrowing or collateral pledging.

BIC CERTIFICATION FORM SUBMISSION

E-mail

Send a signed copy of the BIC Certification form and all attachments to the following e-mail address: Discount.Collateral@ny.frb.org. Please indicate one of the following applicable subject lines: **Annual BIC Certification Form** or **New Applicant BIC Certification Form**. The FRBNY encourages institutions to register for FRSecure to send any information pertaining to pledged or proposed pledge collateral. To register for FRSecure, go to the following link: <https://SecureEmail.FederalReserve.com>