

**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: **Noted & Noteless Commercial Loans, Commercial Real Estate Loans, Construction Loans, and Private Banking;** *(For pledging purposes, please distinguish between collateral type. Also, for noteless loans, please disregard questions relating to physical promissory notes.)*

**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 SUPPORTING THE **COMMERCIAL 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  DISCOUNT NOTE  GRID NOTE  INSTALLMENT NOTE  MASTER NOTE
- REVOLVING NOTE  NO-NOTE AGREEMENT  PARTICIPATION NOTE  SYNDICATED NOTE
- OTHER (PLEASE SPECIFY) \_\_\_\_\_

3. INDICATE THE TYPE OF DOCUMENTATION SUPPORTING THE **COMMERCIAL REAL ESTATE 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  GRID NOTE  INSTALLMENT NOTE  MASTER NOTE
- REVOLVING NOTE  NO-NOTE AGREEMENT  PARTICIPATION NOTE  SYNDICATED NOTE
- MORTGAGE  APPRAISAL  TITLE POLICY
- OTHER (PLEASE SPECIFY) \_\_\_\_\_

4. INDICATE THE TYPE OF DOCUMENTATION SUPPORTING THE **CONSTRUCTION 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  GRID NOTE  INSTALLMENT NOTE  MASTER NOTE  
 REVOLVING NOTE  NO-NOTE AGREEMENT  PARTICIPATION NOTE  SYNDICATED NOTE  
 MORTGAGE  APPRAISAL  TITLE POLICY  
 OTHER (PLEASE SPECIFY) \_\_\_\_\_

5. INDICATE OTHER AGREEMENTS BEING MAINTAINED BETWEEN YOUR INSTITUTION AND THE BORROWER RELATING TO THE LOAN ARRANGMENTS.

- CREDIT AGREEMENT  SECURITY AGREEMENT  OTHER (PLEASE SPECIFY) \_\_\_\_\_

6. PLEASE PROVIDE THE ADDRESS, CITY, AND STATE WHERE THE ABOVE REFERENCED COLLATERAL IS LOCATED.

**NOTES:**

**CREDIT AGREEMENTS AND OTHER DOCUMENTS:**

7. 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:**

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

9. DO THE LOANS THAT ARE PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK DESIGNATE YOUR INSTITUTION AS LENDER OR PAYEE?

- Yes  No

10. IF NO, WHICH ENTITY ARE THE LOANS ORIGINATED BY?

- A SUBSIDIARY OF YOUR INSTITUTION
- A SUBSIDIARY OF YOUR BANK HOLDING COMPANY
- OTHER (PLEASE SPECIFY) \_\_\_\_\_

11. IF THE LOANS WERE NOT ORIGINATED BY YOUR INSTITUTION, HOW WERE THE LOANS ASSIGNED OR TRANSFERRED?

12. IF YOUR INSTITUTION IS PLEDGING LOAN PARTICIPATIONS, DOES YOUR INSTITUTION HAVE THE ORIGINAL PARTICIPATION CERTIFICATES OR PARTICIPATION AGREEMENT TO EVIDENCE THIS?

Yes  No

13. IF PLEDGED LOANS ARE PART OF A SYNDICATION OR PARTICIPATION, DESCRIBE THE CREDIT REVIEW THAT YOUR INSTITUTION APPLIES TO THE LOANS TO ENSURE THEY REMAIN ELIGIBLE FOR PLEDGING?

14. DO YOU PLEDGE LOANS THAT ARE SECURED BY UNDERLYING COLLATERAL?

Yes  No

IF 'YES,' DO YOU PERFECT YOUR SECURITY INTEREST ON THE UNDERLYING COLLATERAL?

Yes  No

IF 'YES,' PLEASE EXPLAIN THE METHOD(S) UTILIZED FOR PERFECTING YOUR SECURITY INTEREST (UNIFORM COMMERCIAL CODE, FEDERAL AVIATION ADMINISTRATION, ETC.)

15. ARE THERE ANY RESTRICTIONS THAT WOULD LIMIT OR RESTRICT ASSIGNABILITY?

Yes  No

16. IN THE EVENT OF A FAILURE BY THE PLEDGING BANK TO REPAY A DISCOUNT WINDOW ADVANCE, THE RESERVE BANK MAY TAKE POSSESSION OF THE PLEDGED COLLATERAL. IS THERE ANY OBLIGATION BY THE RESERVE BANK TO LEND TO THE BANK'S CUSTOMER?

YES  NO

17. 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?

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

19. INDICATE BELOW HOW YOUR INSTITUTION IDENTIFIES THE COLLATERAL AS PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK? *IT IS A REQUIREMENT OF THE BORROWER-IN-CUSTODY PROGRAM THAT COLLATERAL PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK BE IDENTIFIED PROMINENTLY AT PARTICIPATING INSTITUTIONS.*

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

20. 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 WEEKLY COLLATERAL LEVELS DO NOT FALL BELOW 10 PERCENT OF VALUE BETWEEN REPORTING DATES.*

21. 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.

22. 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?

23. IF YOUR INSTITUTION IS A FOREIGN BANKING ORGANIZATION, ARE ALL LOANS PLEDGED TO THE FEDERAL RESERVE BANK OF NEW YORK BOOKED TO THIS BRANCH OFFICE?

Yes  No

24. FOR PURPOSES OF PLEDGING COLLATERAL, DOES YOUR INSTITUTION ENGAGE IN LENDING TO FOREIGN OBLIGORS?

Yes  No (IF 'NO,' SKIP THIS QUESTION)

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.

IF 'YES', EXPLAIN HOW YOUR INSTITUTION COMPLIES WITH THE ELIGIBILITY AND ACCEPTANCE CRITERIA ESTABLISHED BY THE FEDERAL RESERVE BANK OF NEW YORK.

25. 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 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.