



# COLLATERAL REPORTING AND LENDING VALUES

March 29, 2022 | 2 p.m. CT

April 5, 2022 | 10 a.m. CT

To maximize your ability to hear the webinar, we're muting all participants. Please keep your line muted.

# ABOUT THE PRESENTERS



## **ELAINE SHUMAKER | AVP, Financial Services Manager**

Elaine joined FHLBank in 1987. She held various positions until 1999 when she was promoted to Safekeeping Manager. She now oversees Financial Services, which includes safekeeping and collateral operations.



## **KYLIE MERGEN | VP, Director of Financial Services**

Kylie joined FHLBank in 2007. She was a Collateral Review Analyst until September 2008 when she became the Collateral Review Manager. In January of 2017, Kylie was promoted to the Director of Financial Services and oversees the safekeeping and collateral operations as well as the collateral review and verification process.



# GOALS

- Discuss the recent changes to the Member Products Policy and the timing of the changes
- Gain an understanding of the FHLBank Lending Value Process
- Demonstrate how to report collateral to the FHLBank
- Discuss how delivered collateral is released and returned to your institution
- Review where to find collateral forms and reports available to members



# AGENDA:

- FHLBank's lending value process
- Effective dates for new lending values
- Other Member Products Policy changes impacting collateral
- Submitting a Qualifying Collateral Determination (QCD) form
- Pledging and releasing of delivered assets
- Collateral forms and reports
- Question and answer session



# CREDIT AND COLLATERAL CHANGES

## Lending Value Process – Lending Value changes

- Conducted at least annually
- Consists of three components
  - Credit Factor
  - Volatility Factor
  - Liquidation Factor
- Approved by FHLBank's Board of Directors on March 25, 2022
  - Securities and delivered loans effective March 31, 2022
  - Loan collateral reported via QCD form effective on the March 31 form



# CREDIT AND COLLATERAL CHANGES

## Lending Values

- Collateral Type: I. Loans (conventional mortgages, FHA-insured mortgages, VA-guaranteed mortgages, multifamily)
  - Conventional amortizing mortgages on one-to-four family residential real property – from 78% to 81%
  - Conventional interest only mortgages on one-to-four family residential real property – from 72% to 75%
  - FHA-insured and VA-guaranteed mortgages on one-to-four family residential real property – increased 1%
    - Less than 90 days delinquent from 91% to 92%
    - Greater than 90 days delinquent from 87% to 88%
  - Held for sale mortgages on one-to-four family residential real property (HFS SF)
    - HFS SF eligible to be sold to FNMA, FHLMC or GNMA – from 91% to 92%
    - HFS SF NOT eligible to be sold to FNMA, FHLMC or GNMA – from 78% to 81%
  - Guaranteed portion of other loans backed by the full faith and credit of the U.S (PPP loans) – from 87% to 88%



# CREDIT AND COLLATERAL CHANGES

## Lending Values

- Collateral Type: II. Securities
  - Most pledged security types
    - Agency residential mortgage pass-through securities – from 97% to 98%
    - Agency CMOs – from 96% to 97%
    - Agency-structured bonds – from 94% to 96%
  - Several other changes to securities lending values – positive changes
- Collateral Type: III. Deposits (FHLBank overnight deposits and CDs)
  - No changes



# CREDIT AND COLLATERAL CHANGES

## Lending Values

- Collateral Type: IV. Other Real Estate Related Collateral
  - Agricultural real estate – from 61% to 66%
  - Second mortgages on residential one-to-four family property – from 68% to 71%
  - Home Equity Lines of Credit (HELOCs) – from 68% to 71%
  - Residential construction mortgages– from 63% to 66%
  
- Collateral Type: V. Other Collateral\*
  - Operating loans – from 53% to 57%
  - Equipment loans – from 48% to 54%
  - Student loans – from 82% to 76%

\*Category is only eligible to members classified as Community Financial Institutions





# CREDIT AND COLLATERAL CHANGES

## Summary of Changes to Lending Values:

Based on pledging activity as of December 31, 2021, the following is an estimate of the total impact to lending values of pledge collateral. The overall change will be positive, with an approximate 3 percent improvement in lending value for membership.

<b>Collateral Types within MPP</b>	<b>Current Lending Value (\$)</b>	<b>Proposed Lending Value (\$)</b>	<b>Lending Value Change (\$)</b>	<b>% Change</b>
I. Loans	\$ 52,364,724,487	\$ 54,069,096,838	\$ 1,704,372,351	3.3%
II. Securities	\$ 11,419,153,887	\$ 11,758,291,305	\$ 339,137,418	3.0%
III. Deposits	\$ 37,035,108	\$ 37,035,108	\$ -	0.0%
IV. Other Real Estate Related Collateral	\$ 26,726,613,116	\$ 27,348,099,148	\$ 621,486,031	2.3%
V. Other Collateral*	\$ 1,572,153,120	\$ 1,695,425,104	\$ 123,271,984	7.8%
<b>Totals</b>	<b>\$ 92,119,679,718</b>	<b>\$ 94,907,947,503</b>	<b>\$ 2,788,267,784</b>	<b>3.0%</b>



# OTHER CREDIT AND COLLATERAL CHANGES

## Individual Loan Limits

- Increase maximum lending value for an individual loan to \$200 million
  - Only for multifamily and commercial real estate

## Eligibility Guideline Changes

- Documentation Change - Requirements for Loan Modifications  
Modifications, extensions, and renewals may have electronic signatures provided any modification, extension, or renewal complies with FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications\*
  - Must retain the original, wet ink paper note
  - Must be an amendment to the paper note and not a restatement that replaces the paper note
  - If required, mortgage must also be amended and recorded
  - Must be maintained in a format accessible to FHLBank, stored with related loan documentation, and available for review by FHLBank

\*FHLBank prefers copies of loan modifications to be certified copies or to meet the requirements for Electronic Loan Modifications



# OTHER CREDIT AND COLLATERAL CHANGES

## Eligibility Guideline Changes

- Documentation Change - Requirements for Loan Modifications
  - Specific to Electronic Loan Modifications
    - Must comply with E-SIGN and UETA
    - eNotarization or remote online notarization will be accepted if state has allowed, and county recording office accepts
      - members are responsible for knowing and complying with such laws
    - Electronic signature must occur on, or prior to, the effective date of the change in the loan modification
    - Borrower must provide affirmative consent to conduct the loan transaction electronically
    - Modifications executed by biometric means and audio/video recordings are not eligible
  - Effective March 31, 2022. Loan modifications executed before March 31, 2022, that meet requirements will also be eligible.



# AGREEMENT TYPES

## Blanket Pledge

- Executes an Advance, Pledge and Security Agreement - Blanket Pledge
- Report loan collateral quarterly via the Qualifying Collateral Determination (QCD) form
- Blanket (QCD) Lending Value column in the Schedule of Eligible Collateral of the MPSG
- If delivery is required, utilize the Collateral Loan Listing – Limited template
- Represents 96% of our members

## Specific Pledge

- Executes an Advance, Pledge and Security Agreement - Specific Pledge or Housing Associate
- Delivered (Expanded) Lending Value column in the Schedule of Eligible Collateral of the MPSG
- Class A for insurance companies domiciled in a state that has exemptions for FHLBank
- Class B for non-depository CDFIs, Housing Associates or insurance companies domiciled in a state that does not have exemptions for FHLBank
- Delivers loan collateral to FHLBank utilizing the Collateral Loan Listing – Expanded template
- Represents 4% of our members



# QCD FORM

## Preparing the data

- Review Schedule of Eligible Collateral guidelines
- Identify critical reports
- Remove ineligible loans
- Keep borrowing capacity and future borrowing needs in mind
- Submit QCD form within 45 calendar days after quarter-end



# QCD FORM *(continued)*

## Where to find it

- Members Only Portal

The screenshot displays the FHLBank Topeka Members Only portal. At the top, the navigation bar includes links for Contact, FHLBank Public Site, Logout, and a search icon. Below this, a horizontal menu lists various services: ADVANCES, LETTERS OF CREDIT, WIRES, COLLATERAL, SAFEKEEPING, CAPITAL STOCK, DEPOSITS, RATES, REPORTS, and RESOURCES. A yellow arrow points to the 'Forms' dropdown menu under the 'REPORTS' section, which lists 'QCD Form', 'QCD Historical Reports', and 'Reports'. The 'QCD Form' option is highlighted. The main content area is divided into several sections: 'Reports' with a date selector (09/16/2019) and links for 'Advance Payments Due', 'General Activity Report', and 'Summary of Current'; 'Daily Line of Credit Rate' showing a rate of 2.30% as of 09/16/2019 1:00:30 PM; 'Recent Activity' with a list of transactions including 'DDA Ticket Letter of Credit Fee - 57882' and 'Letter of Credit - 57882'; 'Overnight Deposit Transfers' with a description of the service; a promotional banner for 'Line of Credit' with the text 'DRAW ONLINE OR ON THE PHONE'; and 'Quick Contacts' listing David Harris and Chris Endicott. A 'More Reports' button is located at the bottom of the 'Reports' section, and a 'More Documents' button is at the bottom of the 'Recent Activity' section. A 'More Contacts' button is at the bottom of the 'Quick Contacts' section.

**FHLBank Topeka Members Only**

ADVANCES LETTERS OF CREDIT WIRES COLLATERAL SAFEKEEPING CAPITAL STOCK DEPOSITS RATES REPORTS RESOURCES

**Forms**  
QCD Form  
QCD Historical Reports  
Reports

**Reports**  
Daily Monthly  
09/16/2019  
Advance Payments Due PDF  
General Activity Report PDF  
Summary of Current  
More Reports

**Daily Line of Credit Rate**  
As of 09/16/2019 1:00:30 PM  
**2.30%**  
The line of credit rate reprices daily based on FHLBank's cost of funds.  
Click Here for additional advance rates.

**Recent Activity**  
09/13/2019  
DDA Ticket Letter of Credit Fee - 57882 PDF  
09/13/2019  
Letter of Credit - 57882 PDF  
08/26/2019  
Initial Repurchase of Redeemed Document Notification PDF  
More Documents

**Overnight Deposit Transfers**  
An OND transfer allows you to transfer funds between your overnight deposit account and your demand deposit account. Transfers must be made in multiples of \$100,000.


**Line of Credit**  
DRAW ONLINE OR ON THE PHONE  
Call or click today

**Quick Contacts**  
David Harris  
Director of Institutional Sales  
785.478.8167  
David.Harris@FHLBTopeka.com  
Chris Endicott  
MPF Account Manager  
785.478.8164  
Chris.Endicott@FHLBTopeka.com  
Lending Department  
800.809.2733  
FHLB.Lending@fhlbtopeka.com  
More Contacts


# QCD FORM *(continued)*

## QCD FORM

- QCD Online  
Form and Guidelines
- QCD Hardcopy  
Form and Guidelines
- Schedule of Eligible Collateral
- Amend a submitted QCD Form



Members Only

[Contact](#) [FHLBank Public Site](#) [AHP](#) [HSP](#) [Logout](#) 

[ADVANCES](#) [LETTERS OF CREDIT](#) [WIRES](#) [COLLATERAL](#) [SAFEKEEPING](#) [CAPITAL STOCK](#) [DEPOSITS](#) [RATES](#) [REPORTS](#) [RESOURCES](#)

## QCD FORM

The Qualifying Collateral Determination (QCD) form allows you to pledge loan collateral to secure your credit obligations with FHLBank. The QCD form, used to certify compliance with FHLBank's Member Products Policy, must be completed quarterly and is due approximately 45 days after each quarter-end date. Click the links below for guidelines to assist you in completing the QCD form. Click the buttons below to either complete and submit the form online or print, complete and forward the document to FHLBank.

QCD Online

[Guidelines for completing the QCD Online](#)

If you encounter issues with the QCD Online while using Internet Explorer, please [click here](#) for troubleshooting suggestions.

QCD Hardcopy

[Guidelines for completing the QCD Hardcopy](#)

[Schedule of Eligible Collateral](#)

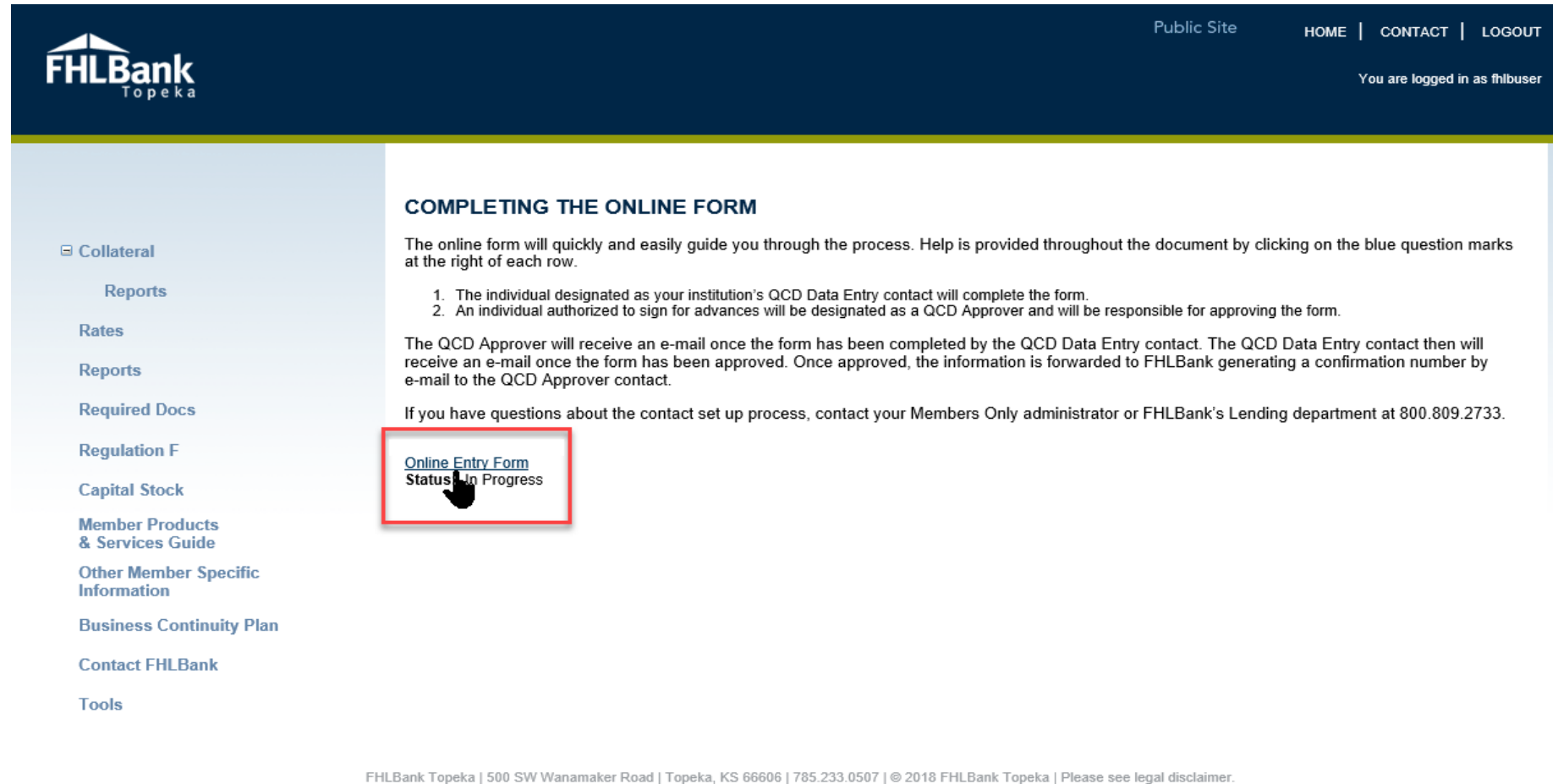
Help is provided throughout the online QCD form by clicking on the blue question marks at the right of each row. If you require further assistance with the online QCD entry, please contact the Financial Services department at 877.933.7803 or [FinancialServices@fhlbtopeka.com](mailto:FinancialServices@fhlbtopeka.com)

- The individual designated as your institution's QCD Data Entry contact will complete the form.
- An individual authorized to sign for advances will be designated as a QCD Approver and will be responsible for approving the form. The QCD Approver will receive an e-mail once the form has been completed by the QCD Data Entry contact. The QCD Data Entry contact then will receive an e-mail once the form has been approved. Once approved, the information is forwarded to FHLBank generating a confirmation number by e-mail to the QCD Approver contact.

If you have questions about the contact set up process, contact your Members Only administrator or the Lending department at 800.809.2733.

# QCD FORM - ONLINE

- To begin



The screenshot displays the FHLBank Topeka website interface. The top navigation bar includes links for 'Public Site', 'HOME', 'CONTACT', and 'LOGOUT', along with a login status 'You are logged in as fhlibuser'. A left-hand sidebar lists various menu items: Collateral, Reports, Rates, Reports, Required Docs, Regulation F, Capital Stock, Member Products & Services Guide, Other Member Specific Information, Business Continuity Plan, Contact FHLBank, and Tools. The main content area is titled 'COMPLETING THE ONLINE FORM' and provides instructions on how to use the online form, including a list of roles (QCD Data Entry contact and QCD Approver) and a note about email notifications. A red rectangular box highlights the 'Online Entry Form' link, which is accompanied by a mouse cursor icon, indicating the next step in the process.

**COMPLETING THE ONLINE FORM**

The online form will quickly and easily guide you through the process. Help is provided throughout the document by clicking on the blue question marks at the right of each row.

1. The individual designated as your institution's QCD Data Entry contact will complete the form.
2. An individual authorized to sign for advances will be designated as a QCD Approver and will be responsible for approving the form.

The QCD Approver will receive an e-mail once the form has been completed by the QCD Data Entry contact. The QCD Data Entry contact then will receive an e-mail once the form has been approved. Once approved, the information is forwarded to FHLBank generating a confirmation number by e-mail to the QCD Approver contact.

If you have questions about the contact set up process, contact your Members Only administrator or FHLBank's Lending department at 800.809.2733.

[Online Entry Form](#)  
Status: In Progress

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# QCD FORM – ONLINE *(continued)*

## Unrestricted Collateral

### 1. Data Entry

- Total Assets
- LIBOR Question Response
- Number of Loans, UPB and Guaranteed Portion

### 2. HFS Mortgage Loans

- Quarterly Reporting if < 15% of Assets
- Daily Reporting Required if > 15% of Assets
  - System Populated

### 3. Other Collateral - Case-by-Case

- CBC Number and Collateral Type Code

### 4. Guaranteed Portion of Govt. Loans

- SBA PPP Loans - monthly loan listing requirement

### 5. Unrestricted Securities

- System Populated

### 6. Online Help Function

#### QUALIFYING COLLATERAL DETERMINATION (QCD) FORM

Unrestricted Collateral

Restricted Collateral

Additional Information

Collateral Summary

Submission

Quarter Ending: 3/31/2022

Reset

(The \* indicates a required field)

Next

Save

Guidelines for Unrestricted Collateral:

This page identifies one-to-four family residential real property, mortgages on multifamily real property, Held-for-Sale mortgages on one-to-four family residential real property and guaranteed portion of other loans backed by the full faith and credit of the United States Government. These assets are considered "UNRESTRICTED" collateral. The aggregate lending value for Held-for-Sale on one-to-four family residential real property is limited to 15 percent of a stockholder's total assets. To determine the aggregate lending value of this collateral, you must first populate your institution's total asset per the amount reported on your institution's most recent regulatory call report.

Total Assets: (per the amount reported on your most recent regulatory report) \$ 50,000,000

Are any of the loans that you have listed on the Unrestricted or Restricted tabs linked to LIBOR and also matures after 2021? ☒ Yes ☐ No

Unrestricted Collateral Description	Case-by-Case Number	Collateral Type Code	Number of Loans	Unpaid Principal	Guaranteed Portion	Lending Percentage	Lending Value
<strong>I. Conventional mortgages on one-to-four family residential real property</strong>							
Amortizing mortgages				\$		81%	\$0
Interest-only mortgages				\$		75%	\$0
FHA-insured mortgages on one-to-four family residential real property, not more than 90 days delinquent				\$		92%	\$0
FHA-insured mortgages on one-to-four family residential real property, more than 90 days delinquent				\$	\$	88%	\$0
VA-Guaranteed mortgages on one-to-four family residential real property, not more than 90 days delinquent				\$		92%	\$0
VA-Guaranteed mortgages on one-to-four family residential real property, more than 90 days delinquent				\$	\$	88%	\$0
HFS mortgages on one-to-four family residential property (HFS-SP), HFS FNMA, FHLMC, or GNMA eligible				\$		92%	\$0
HFS mortgages on one-to-four family residential property (HFS-SP), HFS not FNMA, FHLMC, or GNMA eligible				\$		81%	\$0
HFS mortgages on one-to-four family residential real property (loan data detail submitted to FHLBank daily) (As of 3/17/2022)			0	\$ 0			\$0
Other				\$			\$0
Other				\$			\$0
Other				\$			\$0
Other				\$			\$0
Other				\$			\$0
Other				\$			\$0
<strong>II. Mortgages on Multifamily residential real property</strong>							
Mortgages on multifamily residential real property				\$		74%	\$0
<strong>III. Guaranteed portion of other loans backed by the full faith and credit of the United States Government</strong>							
Temporary Eligibility for Small Business Administration (SBA) – Paycheck Protection Program (PPP) loans				\$		88%	\$0
Total Unrestricted Loans:			0	\$0	\$0		\$0
Total Unrestricted Securities: (As of 3/17/2022)							\$0
<strong>Total Unrestricted Collateral:</strong>							<strong>\$0</strong>

Reset

(The \* indicates a required field)

Next

Save

Based upon current day credit obligations your excess collateral position is:

# QCD FORM – ONLINE (continued)

## Restricted Collateral

1. Limited to 25% of Assets
2. Data Entry
  - a) Number of Loans and UPB
3. Other - Case-by-Case
  - a) CBC Number and Collateral Type Code
4. Other Collateral – Restricted Collateral
  - a) CFI Institutions Only
    - i. FDIC Insured and total 3-year average assets of less than 1.239 Billion
5. Restricted Securities
  - a) System populated
6. Online Help Function

### QUALIFYING COLLATERAL DETERMINATION (QCD) FORM

Unrestricted Collateral

Restricted Collateral

Additional Information

Collateral Summary

Submission

Quarter Endings: 3/31/2022

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Guidelines for Restricted Collateral:

This page identifies Other Real-estate Related Collateral and Other Collateral. These asset categories are considered "RESTRICTED" collateral, and the aggregate lending value of this collateral cannot exceed 25 percent of a member's total assets. To use "RESTRICTED" collateral you must first exhaust all other eligible loan collateral (one-to-four family residential real property and mortgages on multifamily residential real property). To determine which restricted loans your institution is eligible to pledge, you must first determine whether your institution is classified as a community financial institution (CFI) as defined in 12 CFR 1263.1. CFI is defined as an institution that has its deposits insured by the FDIC and whose average total assets over the last three years (as of December 31) is less than 1.239 billion.

Restricted Collateral Limitation:

1

\$12,500,000

Restricted Collateral Description	Case-by-Case Number	Collateral Type Code	Number of Loans	Unpaid Principal	Lending Percentage	Lending Value
<b>IV. Other Real-Estate Related Collateral</b>						
Agricultural Real Estate				\$	66%	\$0
Commercial Real Estate				\$	65%	\$0
Second mortgages on residential one-to-four-family property				\$	71%	\$0
Home Equity Lines of Credit (HELOCs)				\$	71%	\$0
Residential Construction Mortgages				\$	66%	\$0
Multifamily Construction Mortgages				\$	0%	\$0
Commercial Construction Mortgages				\$	0%	\$0
Other				\$		\$0
Other				\$		\$0
Other				\$		\$0
Other				\$		\$0
<b>V. Other Collateral — Restricted Collateral</b>						
Operating Loans (livestock and crops) (CFI-only)				\$	57%	\$0
Equipment Loans (CFI-only)				\$	54%	\$0
Other				\$		\$0
Other				\$		\$0
Other				\$		\$0
Other				\$		\$0
Total Restricted Loans: 0 \$0 \$0						
Total Restricted Securities: (As of 3/17/2022) \$0						
Total Restricted Collateral: \$0						

Reset

(The \* indicates a required field)

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Based upon current day credit obligations your excess collateral position is:

# QCD FORM – ONLINE *(continued)*

## Additional Information

- Questions 1 & 4 – Owned by Affiliate or Purchased Loans
  - If Yes, enter affiliate or entity name
- Questions 2 & 3 – Custodians and Servicers
  - If Yes, known Custodians and Servicers will be pre-populated and confirmation is required
- Question 5 – Material Adverse Change
- Additional Comments
  - Servicer and Custodian changes

**All responses are required**

### QUALIFYING COLLATERAL DETERMINATION (QCD) FORM

Unrestricted Collateral | Restricted Collateral | **Additional Information** | Collateral Summary | Submission

Quarter Ending: 3/31/2022

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**VI. Additional Questions**

1. Are any of the loans identified on this form owned by a wholly owned or affiliated entity? ☐ Yes ☐ No **1** If yes, name:

2. Are any of the loans identified on this form held by a third-party custodian? ☐ Yes ☐ No **2**

Is this correct? ☐ Yes ☐ No

a. If you answered yes to Question #2, has your custodian changed within the last three months? ☐ Yes ☐ No

b. If you answered yes to Question #2, has your custodial agreement been modified within the last three months? ☐ Yes ☐ No

3. Are any of the loans identified on this form serviced by a third party? ☐ Yes ☐ No **2**

Is this correct? ☐ Yes ☐ No

a. If you answered yes to Question #3, has your servicer changed within the last three months? ☐ Yes ☐ No

b. If you answered yes to Question #3, has your servicing agreement been modified within the last three months? ☐ Yes ☐ No

4. Are any of the residential loans (one-to-four family residential property, second mortgages on residential property, or home equity lines of credit) identified on this form acquired from an affiliated or non-affiliated entity? ☐ Yes ☐ No **1** If yes, name:

a. If you answered yes to Question #4, and the loan was acquired after July 10, 2007, has your institution verified the loan is in compliance with the Interagency Guidance on Nontraditional Mortgage Product Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending? ☐ Yes ☐ No

5. During the last three months, has your institution experienced any material adverse change? ☐ Yes ☐ No **3**

Additional Comments

**4**

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Based upon current day credit obligations your excess collateral position is:

# QCD FORM – ONLINE *(continued)*

## Collateral Summary

1. Lending Values
  - a) As of Quarter End
  - b) As of Prior Day
2. Restricted Collateral Limitation
3. Excess Restricted Collateral Capacity
  - a) Restricted limitation minus pledged amount
4. Total Collateral Pledged
5. Outstanding Credit Obligations
6. Excess Collateral Balance
  - a) Total collateral pledged minus credit obligations

### QUALIFYING COLLATERAL DETERMINATION (QCD)

Unrestricted Collateral	Restricted Collateral	LIBOR	Additional Information	Collateral Summary	Submission
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Quarter Ending: 09/30/2020

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#### Collateral Summary

	Unpaid Principal	Guaranteed Portion	Lending Value As Of 9/30/2020	Lending Value As Of 10/23/2020
<b>Unrestricted Assets:</b>				
Loans Value:	\$35,956,888	\$0	\$27,654,895	\$27,654,895
Securities Value:	\$0		\$0	\$0
Total Unrestricted Collateral Value:	\$35,956,888	\$0	\$27,654,895	\$27,654,895
<b>Restricted Assets:</b>				
Loans Value:	\$87,821,943		\$52,852,483	\$52,852,483
Securities Value:	\$0		\$0	\$0
Total Restricted Collateral Value:	\$87,821,943		\$52,852,483	\$52,852,483
<b>Restricted Collateral Limitation</b> (based upon current quarter assets):			\$140,274,855	\$140,274,855
<b>Excess Restricted Collateral Capacity:</b>			\$87,422,372	\$87,422,372
<b>Grand Total:</b>				
Loans Value:	\$123,778,831	\$0	\$80,507,378	\$80,507,378
Securities Value:	\$0		\$0	\$0
Collateral Value:	\$123,778,831	\$0	\$80,507,378	\$80,507,378
<b>Outstanding Credit Obligations:</b>			\$16,182,068	\$16,188,977
<b>Excess Collateral:</b>			\$64,325,310	\$64,318,401

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# QCD FORM – ONLINE *(continued)*

## Submission

- Review for accuracy and completeness
  - Ensure adequate collateral is pledged
  - Select “I Agree”
  - Comments
  - Save
  - Submit
- 
- Requires Approval by a QCD Approver

### QUALIFYING COLLATERAL DETERMINATION (QCD) FORM

Unrestricted Collateral

Restricted Collateral

Additional Information

Collateral Summary

Submission

Nebraska State Bank  
218 Main  
Oshkosh, NE 69154  
Cust ID: 4686

Quarter Ending: 3/31/2022

Prev Submit

Submission Pending Final Approval

Please review the following and check the **I Agree** below, this will allow the QCD form to be submitted.

I certify that the above information is accurate and that the collateral identified complies with FHLBank Topeka's Member Products and Services Guide. I further certify that the reporting institution:  

- understands and is in compliance with FHLBank Topeka's Anti-Predatory Lending Policy ("APL Policy") and all applicable Anti-Predatory Lending Laws and will maintain qualifying collateral and will substitute eligible collateral for any residential mortgage collateral, or repurchase any Acquired Member Asset, that does not comply in all material respects with applicable Anti-Predatory Lending Laws or FHLBank Topeka's APL Policy, and
- is pledging no loans originated or acquired after July 10, 2007, that do not comply in all respects with the Interagency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending.
- agrees to indemnify, defend and hold FHLBank Topeka harmless from and against all losses, damages, claims, actions, causes of action, liabilities, obligations, judgments, penalties, fines, forfeitures, costs and expenses, including, without limitation, legal fees and expenses, that result from the pledge of any collateral or the sale of any Acquired Member Asset that does not comply in all material respects with applicable Anti-Predatory Lending Laws or FHLBank Topeka's APL Policy.

☐ I Agree

Comments

Prev Submit



# QCD FORM – ONLINE *(continued)*

## What happens after approval?

- Generally, straight through processing
- Borrowing capacity updated intraday

## When is a Financial Services review required?

- When answering “Yes” to questions 1, 4 and 5 in the Additional Question section
- Required loan listing
- Collateral listed in the “Other” fields
- A notation in “Comments” field

## Common issues we have encountered

- Required “Assets” field
- Insufficient collateral pledged
- Submitter and Approver (Always a 2-step process)



# PLEDGING AND RELEASING SECURITIES HELD IN SAFEKEEPING AT FHLBANK

- Security must be held in custody at the FHLBank of Topeka
- Complete a Collateral Activity Report (CAR)
  - Located in Members Only under the Collateral menu option then Forms
  - Email to Financial Services department
- Security movement is restricted or released
- Borrowing capacity is updated
- To release a security, adequate collateral must remain

**Please note that a CAR is required to release all securities that are pledged, including those that are maturing, prepaid or are called.**



# PLEDGING OR RELEASING SECURITIES HELD IN SAFEKEEPING AT FHLBANK *(CONTINUED)*

## FHLBANK TOPEKA COLLATERAL ACTIVITY REPORT

CUSTID:   
Institution Name:   
City, State:

Date:   
Return To: FHLBank – Financial Service Dept.  
Email: [FinancialServices@fhlbtopeka.com](mailto:FinancialServices@fhlbtopeka.com)

### SECURITIES ACTIVITY

PLEDGE OR RELEASE	CUSIP NUMBER	SECURITY DESCRIPTION	ORIGINAL PAR PLEDGED	MATURITY DATE	CURRENT CUSTODIAN	BOOK-ENTRY (B) OR PHYSICAL (P)	PURCHASED DATE	SETTLEMENT DATE AT FHLB
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Select One  
Pledge  
Release

### OVERNIGHT DEPOSIT ACTIVITY

PLEDGE OR RELEASE	DOLLAR AMOUNT	DOLLAR AMOUNT TO MOVE FROM DDA TO OND	DOLLAR AMOUNT TO MOVE FROM OND TO DDA
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>

### FHLBANK TOPEKA CERTIFICATE OF DEPOSIT ACTIVITY

PLEDGE OR RELEASE	CERTIFICATE NUMBER	DOLLAR AMOUNT	MATURITY DATE	INTEREST RATE
Select One	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### CONSENT FOR RELEASE OR PLEDGE ACTIVITY

The form must be emailed directly from an authorized individual, or provide an authorized signature below.

Authorized Signature

Typed Name and Title

Date

## ■ To Complete the CAR

- Cust ID
- Institution Name
- City and State
- Date
- Select Pledge or Release
- Security details
- Must be signed by an authorized individual as listed on the Credit Authorization or Credit Resolution Form
- Email to Financial Services department






# PLEDGING AND RELEASING SECURITIES USING AN APPROVED THIRD-PARTY CUSTODIAN

- A fully executed Third-Party Custodial Agreement is required prior to pledging
- Security must be safekept at custodian before pledging
- Complete an Exhibit A of the Third-Party Custodial Agreement
  - Member to send to Custodian AND to Financial Services
- Custodian Requirements:
  - Send pledge receipt to FHLBank's Financial Services department
  - Must NOT release the security or it's final proceeds without FHLBank's prior written consent
  - Provide monthly statements to FHLBank
- Release Request - if adequate collateral remains, FHLBank will sign and send the Exhibit A to custodian authorizing the release of the security



# PLEDGING AND RELEASING SECURITIES USING AN APPROVED THIRD-PARTY CUSTODIAN

 **EXHIBIT A**  
**Custodial Agreement**  
**Pledge and Release of Collateral**

Custodian  
To: [Click here to enter Custodian name](#) (Custodian)

The securities listed below and designated "Pledge" in the left column are pledged by [Click here to enter Institution name](#) and held by Custodian for the benefit of the Federal Home Loan Bank of Topeka pursuant to a Custodial Agreement dated [Click here to enter the date](#). The securities designated "Release" are released and withdrawn from pledge.

SECURITIES ACTIVITY				
PLEDGE OR RELEASE	CUSIP NUMBER	SECURITY DESCRIPTION	ORIGINAL PAR	CURRENT PAR
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				
Select One				

Dated: [Click or tap to enter a date.](#)

Cust ID: [Click or tap here to enter text.](#)

**Institution**  
By: \_\_\_\_\_  
Authorized Signature

[Click here to enter Name and Title](#)  
Typed Name and Title

**CONSENT**

Pledgee does hereby consent to the release and withdrawal of securities as described above, and with respect to such released securities acknowledges that Pledgee shall have no further right, title or interest in such securities pursuant to the Custodial Agreement.

**Federal Home Loan Bank of Topeka**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name and Title

## ■ To Complete the Exhibit A

- Custodian name
- Member name
- Date of Custodial Agreement on file
- Select Pledge or Release
- Security details
- Must be signed by an authorized individual as listed on the Credit Authorization or Credit Resolution Form
- Send to custodian **and** the FHLBank's Financial Services department



# SECURITIES MAINTENANCE

- Daily reconciliation with our custodian for securities held in FHLBank's Safekeeping
- Daily pricing uploads
  - Monthly pricing validation
- Daily factor uploads
- Weekly updates on private label securities ratings
- Monthly reconciliations on securities held at an approved third-party custodian



# PLEDGING OR RELEASING FHLBANK CDS OR OVERNIGHT DEPOSITS

## FHLBANK TOPEKA COLLATERAL ACTIVITY REPORT

CUSTID:   
 Institution Name:   
 City, State:

Date:   
 Return To: FHLBank – Financial Service Dept.   
 Email: [FinancialServices@fhlbtpeka.com](mailto:FinancialServices@fhlbtpeka.com)

SECURITIES ACTIVITY								
PLEDGE OR RELEASE	CUSIP NUMBER	SECURITY DESCRIPTION	ORIGINAL PAR PLEDGED	MATURITY DATE	CURRENT CUSTODIAN	BOOK-ENTRY (B) OR PHYSICAL (P)	PURCHASED DATE	SETTLEMENT DATE AT FHLB
Select One								
Select One								
Select One								
Select One								
Select One								

OVERNIGHT DEPOSIT ACTIVITY		
PLEDGE OR RELEASE	DOLLAR AMOUNT	DOLLAR AMOUNT TO MOVE FROM DDA TO OND
Select One		

FHLBANK TOPEKA CERTIFICATE OF DEPOSIT ACTIVITY				
PLEDGE OR RELEASE	CERTIFICATE NUMBER	DOLLAR AMOUNT	MATURITY DATE	INTEREST RATE
Select One				

## CONSENT FOR RELEASE OR PLEGE ACTIVITY

The form must be emailed directly from an authorized individual, or provide an authorized signature below.

Authorized Signature

Typed Name and Title

Date

**Cash must be in an Overnight Deposit (OND) account at FHLBank before pledging**

- Complete a Collateral Activity Report (CAR)
- Located in Members Only under the Collateral menu option then Forms
- Indicate if funds should be moved from or to DDA
- Must be signed by an authorized individual as listed on the Credit Authorization or Credit Resolution Form
- Send to FHLBank's Financial Services department

Release requests - if adequate collateral remains, funds will be released and will remain in the OND account unless otherwise directed on the CAR



# PLEDGING DELIVERED LOANS

- Complete the appropriate Collateral Loan Listing (CLL) Template
- Send the template via a secured method to FHLBank's Financial Services department
- Send the appropriate loan documents to FHLBank
  - Loan information uploaded to FHLBank's collateral system and immediately reconciled to the documents received
  - Documents reviewed for eligibility
    - If eligible, lending value is assigned and borrowing capacity updated
    - If ineligible, an exception report detailing the issues will be available on Members Only
- Restricted asset limitation is not applicable to any member required to deliver assets to the FHLBank



# PLEDGING DELIVERED LOANS *(CONTINUED)*

## Collateral Loan Listing – Expanded Template

- Required for all Specific Pledge members
  - Optional for all other members
  - Market Value is determined by the lesser of the UPB or the loan value as determined by FHLBank's third-party pricing vendor
  - Member is charged a quarterly pricing fee per loan
  - All data points on the CLL are required
  - Template located on Members Only under Collateral then Forms
  - Updated loan information is required to be submitted within five business days after each month-end



# PLEDGING DELIVERED LOANS *(CONTINUED)*

## Collateral Loan Listing – Limited Template

- Can be used by all members on delivery except Specific Pledge members, non-depository CDFIs and Housing Associates
  - Market Value is determined by the lesser of the:
    - Unpaid Principal Balance (UPB)
    - A present value calculation of the future cash flows discounted at the current market rate
    - Loan value as determined by FHLBank's third-party pricing vendor, if obtained
  - Members are to complete as many data points as possible
  - Template located on Members Only under Collateral then Forms
  - Updated loan information is required within thirty days after each quarter-end



# RELEASING DELIVERED LOAN COLLATERAL

FHLBANK TOPEKA LOAN RELEASE REQUEST FORM

CUSTID:

Institution Name:

City, State:

Authorized Name:

Date:

Return To: FHLBank – Financial Service Dept.

Email: [FinancialServices@fhlbtopeka.com](mailto:FinancialServices@fhlbtopeka.com)

LOANS REQUESTED TO BE RELEASED

LOAN NUMBER	FHLBANK SEQUENCE NUMBER, if known	BORROWER'S NAME
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Loan documents will be returned to the member via Federal Express. If you would like the loan documents sent to another address or have another preference in delivering the documents to you, please identify the information below:

- Complete a Loan Release Request Form
  - Found on Members Only under Collateral then Forms
  - Note any change in address, if different than the member’s address on file at FHLBank
  - Request must be by an authorized individual as listed on the Credit Authorization or Credit Resolution
  - Email or fax the completed form to the Financial Services department
- If adequate collateral remains, the loan(s) will be released and returned via FedEx unless otherwise requested
  - Borrowing capacity is updated





# MEMBERS ONLY - COLLATERAL OPTIONS

## ■ Forms


- Where to find them


The screenshot displays the FHLBank Topeka Members Only interface. At the top, a dark blue header contains the FHLBank Topeka logo and the text "Members Only". Navigation links include "Contact", "FHLBank Public Site", "Logout", and a search icon. Below the header, a horizontal menu lists various services: ADVANCES, LETTERS OF CREDIT, WIRES, COLLATERAL, SAFEKEEPING, CAPITAL STOCK, DEPOSITS, RATES, REPORTS, and RESOURCES. The "COLLATERAL" menu is expanded, showing a dropdown with "Forms", "QCD Form", "QCD Historical", and "Reports". A mouse cursor is positioned over the "Forms" option. The main content area is divided into several sections: "Reports" with radio buttons for "Daily" (selected) and "Monthly", a date selector set to "09/18/2019", and links for "Advance Payments Due", "General Activity Report", and "Summary of Current" (all with PDF icons); "Daily Line of Credit Rate" showing a rate of "2.30%" as of "09/18/2019 2:30:30 PM", with a note that the rate reprices daily based on FHLBank's cost of funds and a link for additional rates; "Recent Activity" listing transactions from "09/17/2019" and "09/13/2019", including "Confirmation Advance Issuance - 103075" and "DDA Ticket Advance Issuance - 103075", each with a PDF icon; "Overnight Deposit Transfers" explaining the service and its requirements; a central graphic for "Line of Credit" with the text "DRAW ONLINE OR ON THE PHONE" and "Call or click today"; and "Quick Contacts" listing David Harris (Director of Institutional Sales) and Chris Endicott (MPF Account Manager) with their contact information. Each section includes a "More Reports" or "More Documents" or "More Contacts" button. The FHLBank Topeka logo is visible in the bottom right corner of the page.

# MEMBERS ONLY - COLLATERAL OPTIONS *(CONTINUED)*

## ■ Forms

- Collateral Activity Report
- Collateral Loan Listing
  - Expanded Template
  - Limited Template
  - QCD Loan Support Template
  - Held for Sale Loans Template
- Collateral Pledged by Subsidiary Certification
- Loan Release Request Form
- Exception Clearing Report
- Participation Acknowledgement of Custody
- Participation Security Agreement

Members Only

[Contact](#) [FHLBank Public Site](#) [Logout](#) 

ADVANCESLETTERS OF CREDITWIRESCOLLATERALSAFEKEEPINGCAPITAL STOCKDEPOSITSRATESREPORTSRESOURCES

## COLLATERAL FORMS

Each member or housing associate of FHLBank is required to pledge sufficient eligible collateral to secure all extensions of credit, including advances, letters of credit, draws on standby credit facilities, and MPF Program Credit Enhancement obligations.

This page lists forms you will need to pledge and release collateral. Please contact the Financial Services department at 877.933.7803 or [FinancialServices@fhltopeka.com](mailto:FinancialServices@fhltopeka.com) for further assistance.

**Unless otherwise noted, mail or send documents with original signatures to:**

MAILING ADDRESS:	PHYSICAL ADDRESS:
FHLBank Topeka	FHLBank Topeka
Attn: Product Administration	Attn: Product Administration
PO Box 176	500 SW Wanamaker Road
Topeka, KS 66601	Topeka, KS 66606

Collateral

**Collateral Activity Report** This form is used to pledge and release securities.

[Collateral Activity Report Template](#)

**Collateral Loan Listing - Expanded Template** This template is used by insurance companies, housing associates and non-depository CDFIs when reporting and pledging loan collateral to the FHLBank. The template is required to be completed when initially pledging loans to the FHLBank and when providing monthly updates on pledged loans. All loan data fields on the template need to be populated in order for the loan to be deemed eligible collateral. FHLBank is committed to assisting members in obtaining the data, if necessary.

[Collateral Loan Listing Expanded Template](#)

# MEMBERS ONLY - COLLATERAL OPTIONS *(CONTINUED)*

## ■ Reports

– Where to find them

The screenshot shows the FHLBank Topeka Members Only portal. The top navigation bar includes links for ADVANCES, LETTERS OF CREDIT, WIRES, COLLATERAL, SAFEKEEPING, CAPITAL STOCK, DEPOSITS, RATES, REPORTS, and RESOURCES. The 'REPORTS' link is highlighted, and a dropdown menu is open, showing options: Forms, QCD Form, QCD Historical, and Reports. The 'Reports' option is selected, and the 'Daily Line of Credit Rate' report is displayed. The report shows the rate as of 09/19/2019 11:30:30 AM at 2.20%. Below the rate, it states 'The line of credit rate reprices daily based on FHLBank's cost of funds.' and provides a link 'Click Here for additional advance rates.' There are also links for 'More Reports' and 'More Documents'.

The screenshot shows the FHLBank Topeka Members Only portal. The top navigation bar includes links for ADVANCES, LETTERS OF CREDIT, WIRES, COLLATERAL, SAFEKEEPING, CAPITAL STOCK, DEPOSITS, RATES, REPORTS, and RESOURCES. The 'REPORTS' link is highlighted, and the 'COLLATERAL REPORTS' section is displayed. The section provides detailed information about the institution's collateral with FHLBank, including contact information for the Financial Services department at 877.933.7803 or [FinancialServices@fhlbtopeka.com](mailto:FinancialServices@fhlbtopeka.com). Below this, there is a section for 'Collateral' with a table listing various reports and their formats. The table has columns for 'Collateral' and 'Format'. The reports listed are: Collateral Loan Listing (Expanded) (Excel), Collateral Loan Listing (Limited) (Excel), Delivered Loans (PDF, Excel), Member Collateral Summary (PDF), Member Loan Exception Report (PDF, Excel), and Securities Pledged (PDF, Excel).

Collateral	Format
Collateral Loan Listing (Expanded)	Excel
Collateral Loan Listing (Limited)	Excel
Delivered Loans	PDF Excel
Member Collateral Summary	PDF
Member Loan Exception Report	PDF Excel
Securities Pledged	PDF Excel

# COLLATERAL REPORTS

1. **Collateral Loan Listing Report – Expanded** - FHLBank identifies the detailed data fields of the loans delivered and pledged to the FHLBank (required for Specific Pledge members). This report will be available daily or monthly in an Excel format.
2. **Collateral Loan Listing -Report – Limited** - FHLBank identifies the detailed data fields of the loans delivered and pledged to the FHLBank (can be used by all members with the exception of Specific Pledge members). This report will be available daily or monthly in an Excel format.
3. **Delivered Loans** – Lists all loans delivered and pledged to the FHLBank by classification (eligible, ineligible, or pending) by a member. This report will be available daily or monthly in a PDF format or Excel.
4. **Member Collateral Summary** - Identifies information regarding the member's collateral position at the FHLBank. It will be available daily or monthly in a PDF format.
5. **Member Loan Exception Report** - Identifies a specific member's loans that have documentation exception memos AND the Documents Accepted Date is NULL or No.
6. **Securities Pledged** – Identifies all securities pledged to the FHLBank by classification (eligible or ineligible). This report will be available daily or monthly in a PDF format or Excel.
7. **Collateral Billing Statement** – A Monthly Report that reflects 1) the number (by count) of loans that have been reviewed, released, priced, and maintained 2) case-by-case collateral fees and 3) collateral review fees incurred that month



# Q&A

# EDUCATIONAL OPPORTUNITIES

## Annual Management Conference

- Overland Park, Kansas | April 20-22, 2022

## Regional Meetings

- August through October in Colorado, Kansas, Nebraska and Oklahoma
  - August 8, 2022 – Littleton, CO
  - August 22, 2022 – Omaha, NE
  - September 13, 2022 – Andover, KS
  - October 17, 2022 – Oklahoma City, OK

## Collateral Review Contact

- One-on-one guidance



# HELPFUL RESOURCES



**Elaine Shumaker**

AVP, Financial Services  
Manager

PH: 785.478.8204

[elaine.shumaker@fhlbtopeka.com](mailto:elaine.shumaker@fhlbtopeka.com)



**Kylie Mergen**

VP, Director of Financial  
Services

PH: 785.478.8203

[kylie.mergen@fhlbtopeka.com](mailto:kylie.mergen@fhlbtopeka.com)

## Collateral Review Staff

800.809.2733 | [CollateralReview@fhlbtopeka.com](mailto:CollateralReview@fhlbtopeka.com)

## Financial Services Operations Staff

877.933.7803 | [FinancialServices@fhlbtopeka.com](mailto:FinancialServices@fhlbtopeka.com)

FHLBank Topeka Website | [www.fhlbtopeka.com](http://www.fhlbtopeka.com)

Collateral Landing Page | [www.fhlbtopeka.com/Products/collateral](http://www.fhlbtopeka.com/Products/collateral)

Member Products & Services Guide | [www.fhlbtopeka.com/mpsg](http://www.fhlbtopeka.com/mpsg)

