Schedule of Eligible Collateral

If you have any questions about the eligibility of a particular asset, please contact the *Collateral and Safekeeping Operations* department.

The following Schedule of Eligible Collateral provides a list of acceptable, eligible assets as well as the underwriting requirements and lending values associated with those assets. Lending values are expressed as a percentage of market value unless otherwise specified. FHLBank reserves the right to reject certain collateral or adjust the collateral requirements based on its ability to price or determine the marketability of such collateral.

DEFINITIONS

BLANKET (QCD) LENDING VALUE

Lending value applicable for collateral reported via the Qualifying Collateral Determination (QCD) form (applicable to Members that have executed an Advance, Pledge and Security Agreement – Blanket Pledge (excluding non-depository CDFI Members)). The lending values are expressed as a percentage of unpaid principal balance unless otherwise specified.

CARRYOVER DEBT

Debt in which repayment has been extended beyond the loan's original term because of the debtor's inability to generate sufficient cash flows to service the obligation as it is originally structured. Examples of Carryover Debt would include (1) production or feeder livestock loans that are unable to be paid at their initial, short-term maturity, and are rescheduled into an intermediate or long-term amortization; or (2) already-existing term debt whose repayment terms or maturities need to be rescheduled because of inadequate cash flows to meet existing repayment requirements.

CASE-BY-CASE

The phrase "Case-by-Case" means that FHLBank's senior management, at their discretion, will determine the acceptability and lending value of such collateral.

COMMUNITY FINANCIAL INSTITUTION (CFI)

An institution that has its deposits insured by the FDIC and whose average total assets over the last three years (as of Dec. 31) is less than the most recent asset cap amount published by the Federal Housing Finance Agency (FHFA). This asset cap shall be adjusted annually by the FHFA to reflect any percentage increase in the preceding year's Consumer Price Index for all urban consumers, as published by the U.S. Department of Labor.

CONSTRUCTION-TO-PERMANENT MORTGAGE LOAN

There are two types of construction-to-permanent mortgage loan transactions: (1) A Single-Closing Construction-to-Permanent mortgage loan is a transaction where the interim construction loan and the permanent financing uses one set of closing documents and the mortgage loan auto-

Continued on next page

Schedule of Eligible Collateral

Continued

matically converts to the permanent long-term mortgage loan upon completion of the property's construction; or (2) A Two-Closing Construction-to-Permanent mortgage loan is a transaction where the construction loan and the permanent financing uses two sets of closing documents and the interim construction loan converts to permanent long-term mortgage loan through modification or through refinance upon completion of the property's construction.

DEBT SERVICE COVERAGE RATIO (DSCR)

The relationship of the property's annual net operating income to its annual mortgage debt service (interest-only payment or principal and interest payments). While there are various prudent underwriting and risk assessment methods used in creating and calculating DSCR within the real estate financing industry, FHLBank will not dictate a specific DSCR calculation, but will expect the method used by our Members to be well documented and readily available, if requested by FHLBank.

DELIVERED (EXPANDED) LENDING VALUE

Lending value applicable for collateral that has been delivered to FHLBank or an FHLBank-approved third-party custodian utilizing the FHLBank's Collateral Loan Listing - Expanded Reporting template (Specific Pledge Members, non-depository CDFI Members and housing associates are required to use the Collateral Loan Listing – Expanded Reporting template). Class A is applicable to only those insurance company Members that are domiciled in a state in which the law exempts FHLBank from any applicable injunctions and stays, repudiation of agreements, fraudulent transfer provisions and preference provisions relating to any FHLBank security agreement or any similar arrangement or agreement relating to the security agreement. Class B is applicable to: (1) entities subject to Chapter 11 bankruptcy reorganization (i.e., non-depository CDFI Members or housing associates); and (2) insurance company Members that are domiciled in a state in which the law **does not exempt** FHLBank from any applicable injunctions and stays, repudiation of agreements, fraudulent transfer provisions and preference provisions relating to any FHLBank security agreement or any similar arrangement or agreement relating to the security agreement. The lending values are expressed as a percentage of market value unless otherwise specified, subject to the maximum lending values indicated for specific types of loans. Market values for loans are determined by taking the lower of: (1) current unpaid principal balance; or (2) the loan value as determined by FHLBank's third-party pricing vendor, as valued at the last quarterly update.

DELIVERED (LIMITED) LENDING VALUE

Lending value applicable for collateral that has been

Continued on next page

delivered to FHLBank or an FHLBank-approved third-party custodian utilizing FHLBank's Collateral Loan Listing - Limited Reporting template (only applicable to Members that have executed an Advance, Pledge and Security Agreement – Blanket Pledge (excluding non-depository CDFI Members)). The lending values are expressed as a percentage of market value unless otherwise specified, subject to the maximum lending values indicated for specific types of loans. Market values for loans are determined by taking the lower of: (1) current unpaid principal balance; or (2) the loan value as determined by FHLBank's third party pricing vendor, if valued at the last quarterly update.

EFFECTIVE FALLBACK LANGUAGE

(1) Language provided in a security-offering document, or otherwise agreed to by the borrower, that specifies how the replacement index rate will be determined in the event of the permanent cessation of the current index rate; (2) language granting the member with unilateral rights to make changes to the current index rate, including but not limited to, substituting a replacement index rate and setting the appropriate spread adjustment as necessary; or (3) covered under the Adjustable Interest Rate (LIBOR) Act enacted by Congress and implemented by regulations of the Federal Reserve Board of Governors.

eNOTE

An electronic promissory note that is a "transferrable record" under the Electronic Signatures in Global and National Commerce Act (codified at 15 U.S.C. §7001 et seq.) ("ESIGN") and is secured by real property.

FHLBANK

FHLBank Topeka

FULLY DISBURSED

A loan in which the full face amount of the loan has been advanced to the borrower or on the borrower's behalf.

FULLY SECURED

A loan in which the fair market value of the asset or assets pledged as security for the loan exceeds the outstanding principal balance of the loan.

INTERBANK OFFERED RATES (IBORs), including the London Interbank Offered Rate (LIBOR®)

As referenced in the Adjustable Interest Rate (LIBOR) Act, any tenor of U.S. dollar currency rates formerly known as the London interbank offered rate as administered by ICE Benchmark Administration Limited (IBA) (or any predecessor or successor administrator thereof), and any other

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interbank offered rates that are expected to cease.

LEASE LOANS

A financing transaction in the form of a lease (i.e., a lease structured such that the lessee effectively has purchased the asset and the lessor/institution is effectively providing financing secured by the purchased asset).

LOW INCOME HOUSING TAX CREDIT (LIHTC) MULTIFAMILY RESIDENTIAL MORTGAGE LOAN

A LIHTC multifamily residential mortgage loan is a mortgage loan secured by an affordable housing multifamily rental project that is eligible for and received a LIHTC allocation under U.S. Code Title 26 Internal Revenue Code Section 42 Low-Income Housing Credit, where the affordable housing project met certain tests that restrict both the amount of rent charged and the income of the eligible tenants. The affordable housing rental project was eligible for a 12.5 percent LIHTC for years 2018, 2019, 2020 and 2021, or was eligible for a 9 percent LIHTC in another year. FHLBank considers a LIHTC multifamily residential mortgage loan, where the tax credit expired, an affordable housing multifamily rental project and not a LIHTC affordable housing multifamily rental project. A 4 percent LIHTC multifamily residential mortgage loan is a mortgage loan secured by an affordable housing rental project that was eligible for and received a Private Activity Bond LIHTC allocation under U.S. Code Title 26 Section 103 Interest on State and Local Bonds. Private Activity Bond programs are complex and invite Internal Revenue Service and Treasury rules, procedures, announcements, decisions, guidance, advice memorandums that FHLBank must review on a case-by-case basis to determine if it is acceptable as mortgage loan collateral.

MEMBER

A financial institution that has been approved for membership and owns the required amount of stock in FHLBank.

NON-LEAD LENDER PARTICIPATION LOAN

A loan in which the institution is not the sole owner. The institution has purchased a participation interest of less than 100% of the loan from another institution (lead lender).

PRIVATE TRANSFER FEE

A charge or payment, imposed by a covenant, restriction, or other similar document and required to be paid in connection with or as a result of a transfer of title to real estate, and payable on a continuing basis each time a property is transferred for a period of time or indefinitely. A Private Transfer Fee does not include fees, charges, payments, or other obligations: (1) imposed by or payable to the Federal government or a State or local government; or (2) that defray actual costs of the transfer of the property, including transfer of membership in the relevant covered association. For purposes of this definition, a Private Transfer Fee also excludes

"excepted transfer fee covenants" that: (1) require payment of a Private Transfer Fee to a covered association and limits the use of such transfer fees exclusively to purposes which provide a direct benefit to the real property encumbered by the Private Transfer Fee covenants; or (2) require payment of a Private Transfer Fee under a program meeting the Duty to Serve shared equity loan program criteria for resale restriction programs in §1282.34(d)(4)(i)(A) and (d)(4)(ii), except that no household income limit shall apply.

QUALIFYING LEASEHOLD

A leasehold on one-to-four family property or multifamily property under a lease of not less than 99 years that is renewable, or under a lease having a period of not less than 50 years to run from the date the mortgage was executed.

SPECIAL PURPOSE PROPERTY

A limited market property with a unique physical design, special construction materials, or a special-purpose layout that restricts its utility to the use for which it was built. Such property has relatively few potential buyers at a particular time, and the property cannot be converted to another use without a large capital investment.

SUB-PRIME LOANS

Extensions of credit to borrowers who, at the time of the loan's origination, exhibit characteristics indicating a significantly higher risk of default than traditional bank lending customers. Sub-prime borrowers typically have weakened credit histories that may include payment delinquencies, charge-offs, judgments and bankruptcies. These borrowers may also display reduced repayment capacity as measured by low credit scores (i.e., a Classic FICO score below 660 or a VantageScore 4.0 below 680) and high debt-to-income ratios (i.e., debt ratio of greater than 50%). In addition, sub-prime borrowers normally have few, if any, borrowing alternatives. Because of the inherent higher credit risk, Sub-Prime Loans command higher interest rates and loan fees than traditional loans. Any loan pledged to FHLBank where the borrower has a weakened credit history or reduced repayment capacity as measured by a Classic FICO score of less than 620 or a VantageScore 4.0 score less than or equal to 601, or a monthly debt-to-income ratio of greater than 55 percent, will be considered to have sub-prime characteristics, unless the Member or housing associate has documented compensating factors that FHLBank determines supports the Member's or housing associate's position that the borrower does not have a weakened credit history or have reduced repayment capacity.

WHOLLY OWNED

A loan of which the institution is the sole owner. For Blanket Pledge Members, this also includes: (1) the retained portion of a loan where the institution originated the loan and services the loan as lead lender but has sold a participating interest in

the loan to a third party; or (2) a loan where the institution purchased 100% of the loan and the Member has received written approval from the lead lender to assign and pledge the asset to FHLBank. (Note: Non-lead lender participations of less than 100% are not considered Wholly Owned.)

ADDITIONAL CLARIFICATIONS

Small Business Administration (SBA) Loans – Members may pledge loans that are guaranteed under the SBA 7(a) program to the applicable collateral type. However, FHLBank disregards the SBA guarantee when assigning a lending value. SBA 7(a) program loans will receive the lending value assigned to the underlying loan collateral type and are subject to the underwriting requirements of the underlying loan collateral type. For example, SBA 7(a) program loans for equipment or fixed assets will receive the applicable lending value and are subject to the underwriting requirements under Section V. Other Collateral, 2. Equipment loans.

Property held by wholly owned subsidiaries may be accepted to the extent allowed by regulation after providing documentation acceptable to FHLBank in its discretion.

A **cross collateralized** loan's eligibility and lending value will be determined based upon the assets used in collateralizing the loan. If the loan is **Fully** Secured (supported) by multiple types of assets that would make the loan eligible as collateral under this policy, the loan would be eligible. A loan would be eligible as collateral as long as the institution can demonstrate that the loan is Fully Secured by eligible collateral, while excluding any ineligible collateral during this determination. Collateral values for the cross collateralized loan will be determined based upon the lending value applied to the lowest asset required to fully secure the loan. If a member is required to deliver collateral, FHLBank will require the delivery of all loans impacted by the cross collateralization to FHLBank.

Loans which have been paid off, sold or matured should not be included in eligible collateral. Members and housing associates should notify FHLBank immediately when any delivered loan is paid off, is sold or matures.

All eligible collateral must have a readily ascertainable value, be reliably discounted to account for liquidation and other risks, and be able to be liquidated in due course.

REQUIREMENTS FOR ELECTRONIC LOAN MODIFICATIONS - *Effective March 31, 2022*

Loan modifications executed before March 31, 2022, that meet these requirements will also be eligible.

The following additional requirements apply to electronically signed loan modifications of wet-inked promissory notes where permitted by Underwriting Requirements within the Schedule of Eligible Collateral:

1. The original, wet ink paper note is retained and available for FHLBank's review.

2. The electronically signed loan modification is an amendment to the paper note and is not a restatement of the note that purports to replace the paper note (for example, it is not being converted into an eNote) or changes the ownership of the note.

3. The electronically signed loan modification must be a valid and enforceable transferable record pursuant to the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq. (E-SIGN), and the Uniform Electronic Transactions Act (UETA) or other applicable law without any defect that would cause FHLBank, or a subsequent transferor, to have less than full rights, benefits and defenses of control (as defined by E-SIGN, UETA, or applicable law) of the transferable record, and should include language to evidence compliance with E-SIGN and applicable UETA requirements.

4. The electronic signing of the loan modification must occur on, or prior to, the effective date of the change addressed by the loan modification. Scriveners' errors with effective dates prior to the date of the electronically signed loan modification may be addressed.

5. A copy of the electronically signed loan modification must be maintained in a format that is accessible by FHLBank, stored with the related loan documentation, and be available for review by FHLBank.

6. Evidence of the borrower's affirmative consent to conduct the loan transaction electronically and evidence of the borrower's execution of the electronic signature for a specific document must be maintained in a format that is accessible by FHLBank, stored with the related loan modification, and available for review by FHLBank.

7. If the electronically signed loan modification requires an amendment to the mortgage as well as the note, the member must comply with all recording requirements for the jurisdiction in which the property is located and the original mortgage is recorded. FHLBank will accept eNotarization or remote online notarization if the subject state has enacted laws or regulations to allow for the same and the applicable county recording office accepts them. Members are responsible for knowing and complying with such laws; FHLBank will not provide guidance on a jurisdiction by jurisdiction basis.

8. Modifications executed by biometric means (such as fingerprint, voice, facial or retinal recognition) and video and/or audio recordings are not eligible.

REQUIREMENTS FOR COPIES OF LOAN MODIFICATIONS - *Effective March 31, 2022*
Loan modifications executed before March 31, 2022, that meet these requirements will also be eligible.

The following additional requirements apply to copies of loan modifications of wet-inked promissory notes where permitted by Underwriting Requirements within the Schedule of Eligible Collateral:

1. The original, wet ink paper note is retained and available for FHLBank's review.

2. The loan modification is an amendment to the paper note and is not a restatement of the note that purports to replace the paper note (for example, the paper note is not being replaced by a scanned or imaged loan modification) or changes the ownership of the note.

3. If the loan modification requires an amendment to the mortgage as well as the note, the member must comply with all recording requirements for the jurisdiction in which the property is located and the original mortgage is recorded.

4. The copy of the wet-inked loan modification must be maintained in a format that is accessible by FHLBank, stored with the related loan documentation, and be available for review by FHLBank.

   Note: FHLBank prefers copies of loan modifications to be certified copies or to meet the requirements for Electronic Loan Modifications.

Temporary Coronavirus (COVID-19) Underwriting Requirements

Underwriting Requirements

These underwriting requirements are available for use on the following Collateral Types:

- Conventional Mortgages on One-To-Four Family Residential Real Property;
- Mortgages on Multifamily Residential Real Property;
- Agricultural Real Estate;
- Commercial Real Estate;
- Second Mortgages on Residential One-To-Four Family Property;
- Home Equity Lines of Credit;
- Operating Loans; and
- Equipment Loans.

FORBEARANCE PLANS AND MODIFICATIONS DESCRIBED BELOW CEASED ON DEC. 31, 2021:

a. A hardship is a temporary income interruption, where a COVID-19 hardship caused a decrease in the Borrower's income due to circumstances outside the Borrower's control.

   i. Forbearance plans can defer contractual payments for no more than 6 months and modifications of an existing note can reduce the Borrower's monthly contractual payment for no more than 12 months;

   ii. Modifications that reduce contractual payment can reduce contractual payment to a minimum monthly payment of interest-only payment;

   iii. Borrower(s) can execute a forbearance plan or a modification with an electronic signature that is in compliance with the Electronic Signatures in Global and National Commerce Act (i.e. E-SIGN). The forbearance plan or modification must be accompanied by an original note that has a "wet" signature from all borrowers and the Member retains the original document;

   iv. Forbearance plans must indicate the duration of the forbearance plan including the effective date, the expiration date of the forbearance plan, and the due date of the first payment and the amount of the payment;

   v. The collateral type is not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member prior to the forbearance plan or the modification, with collateral performance continuing to meet FHLBank's delinquency eligibility standards (Internal Watchlist may be required to be submitted to FHLBank);

   vi. If a modification requires an amendment to the mortgage as well as the note, you must comply with all current recording requirements for the jurisdiction in which the property is located and where the original mortgage is recorded to ensure lien position remains eligible for the asset category; and

   vii. Original term to maturity cannot exceed 360 months; absent the forbearance plan or modification.

Note: Forbearance plans and modifications that borrowers entered into prior to the eligibility cessation date of December 31, 2021, that previously met the COVID-19 Temporary Underwriting Requirements will remain eligible for pledging for the remaining duration of the forbearance plan, modification period, or until the asset is paid-off, sold or reaches the maturity date. Other important information: For FHA-insured and VA-guaranteed Mortgages within the One-To-Four Family Residential Real Property category, with forbearance plans and modifications will remain eligible for pledging provided the mortgage loans comply with applicable laws and regaultions, including section 4022 of the Coronavirus Aid, Relief, and Economic Stability Act. This includes any and all FHA and Veteran's Benefits Administration's published requirements through the end of the COVID-19 nationally declared emergency.

The lending value assigned to eligible COVID-19 pledged assets, currently and previously utilized COVID-19 underwriting requirements, will be equal to the then current lending value established for the Collateral Type category as contained in FHLBank's Member Products and Services Guide until further notice. The mortgage loan collateral must otherwise continue to meet all other underwriting requirements for loan Collateral Type contained in the Member Products and Services Guide, specifically in this Schedule of Eligible Collateral. FHLBank's COVID-19 underwriting requirements for FHA-insured and VA-guaranteed Mortgage loans are available for use until further notice from FHLBank. FHLBank anticipates providing members with 10 business day written notice prior to further changes or full expiration of the remaining temporary COVID-19 underwriting requirements for FHA-insured and VA-guaranteed Mortgages.

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY
Blanket pledge (QCD), Non-depository CDFIs and Housing Associates - See requirements for *Specific Pledge Insurance Companies* on pg. 85.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
i. Amortizing mortgages	80% (unpaid principal)	80% (market value*)	N/A	79% (market value*)
ii. Interest-only mortgages	72% (unpaid principal)	72% (market value*)	N/A	74% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Blanket pledge (QCD), Non-depository CDFIs and Housing Associates

1. Loans must be secured by real estate:
   a. Loans must be secured by one-to-four family dwelling units located in the United States (U.S.); and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Loan-to-value:
      i) Blanket Pledge Members' (excluding non-depository Community Development Financial Institution (CDFI) Members) loan-to-value ratios cannot exceed 100% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule, with the exception of the results of an Automated Valuation Model (AVM), which are not eligible);
      ii) Non-depository CDFI Members' and housing associates' loan-to-value ratios cannot exceed 80% and, if applicable, the combined loan-to-value ratios cannot exceed 90% (appraisals must be prepared by a licensed or certified appraiser, licensed or certified in the state which the subject property is located and the appraisal must comply with the Uniform Standards of Professional Appraiser Practices (USPAP));
   b. The mortgage amount must equal or exceed outstanding principal amount on note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Fully Disbursed (closed-end loans only; no revolving lines of credit);
5. Wholly Owned;
6. No held-for-sale mortgage loans;
7. Term to maturity cannot exceed 360 months except for Single-Closing Construction-to-Permanent loans, where the term to maturity may extend beyond 360 months from the original note date but cannot exceed 360 months from the effective date of the converted permanent loan;
8. No reverse mortgage loans;
9. No residential land development loans (including vacant land);
10. No construction or rehabilitation loans;
11. No Sub-prime Loans;
12. Investment properties' Debt Service Coverage Ratio (DSCR) must equal or exceed 1.00;

(continued on next page)

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY
Blanket pledge (QCD), Non-depository CDFIs and Housing Associates - See requirements for *Specific Pledge Insurance Companies* on pg. 85.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
i. Amortizing mortgages	80% (unpaid principal)	80% (market value*)	N/A	79% (market value*)
ii. Interest-only mortgages	72% (unpaid principal)	72% (market value*)	N/A	74% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Blanket pledge (QCD), Non-depository CDFIs and Housing Associates

(continued from previous page)

13. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
14. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
15. No Lease Loans;
16. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
17. Loans cannot be more than 90 days delinquent. Delinquency reports may be required to be submitted to FHLBank;
18. No loans that violate FHLBank's Anti-Predatory Lending Policy;
19. Loans originated or acquired after July 10, 2007, must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
20. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
21. Amortization:
    a. No negative amortization;
    b. If note structure allows for interest-only payments, FICO scores must be equal to or exceed 680;
22. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
23. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
24. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
25. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY
Specific Pledge Insurance Companies - See requirements for *Blanket pledge (QCD) and Non-depository CDFIs and Housing Associates*on pg. 83.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY UNDERWRITTEN TO A *DEBT-TO-INCOME (DTI)* STANDARD (i.e., CONSUMER PURPOSE)				
i. Amortizing mortgages	N/A	N/A	82% (market value*)	79% (market value*)
ii. Interest-only mortgages	N/A	N/A	78% (market value*)	74% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Specific Pledge Insurance Companies

1. Loans must be secured by real estate:
   a. Loans must be secured by one-to-four family dwelling units located in the United States (U.S.); and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Total Loan-to-value ratios for primary residence cannot exceed 90 percent, total loan-to-value ratios for second home mortgages cannot exceed 85 percent and total Loan-to-value ratios for investment property mortgage loans cannot exceed 80 percent;
      i) Appraisals must be prepared by a licensed or certified appraiser, licensed or certified in the state which the subject property is located and the appraisal must comply with the Uniform Standards of Professional Appraiser Practices (USPAP));
      ii) Appraisal is either appraised with an "as is" market value defined as an estimate of the market value of a real property in its current physical condition, use, and zoning as of the effective date of the appraisal or has a completion certificate for "subject to" assignment conditions indicating that the market value opinion conditioned upon the completion of repairs, alterations, or construction as of a future date.
   b. The mortgage amount must equal or exceed outstanding principal amount on note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Fully Disbursed (closed-end loans only; no revolving lines of credit);
5. Wholly Owned;
6. No held-for-sale mortgage loans;
7. Term to maturity cannot exceed 360 months except for Single-Closing Construction-to-Permanent loans, where the term to maturity may extend beyond 360 months from the original note date but cannot exceed 360 months from the effective date of the converted permanent loan;
8. No reverse mortgage loans;
9. No residential land development loans (including vacant land);
10. No construction or rehabilitation loans;
11. Maximum 50 percent DTI ratio;
12. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;

(continued on next page)

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY
Specific Pledge Insurance Companies - See requirements for *Blanket pledge (QCD) and Non-depository CDFIs and Housing Associates*on pg. 83.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY UNDERWRITTEN TO A *DEBT-TO-INCOME (DTI)* STANDARD (i.e., CONSUMER PURPOSE)				
i. Amortizing mortgages	N/A	N/A	82% (market value*)	79% (market value*)
ii. Interest-only mortgages	N/A	N/A	78% (market value*)	74% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Specific Pledge Insurance Companies *(continued from previous page)*

13. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
14. No Lease Loans;
15. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
16. Loans cannot be more than 90 days delinquent. Delinquency reports may be required to be submitted to FHLBank;
17. No loans that violate FHLBank's Anti-Predatory Lending Policy;
18. Loans cannot be more than 60 days delinquent anytime in the past three months. Delinquency reports may be required to be submitted to FHLBank.
19. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
20. Amortization:
    a. No negative amortization;
    b. If note structure is fixed-rate or fully amortizing adjustable rate payment feature, FICO score must be equal to or exceed 620.
    c. If note structure allows for interest-only payments, FICO scores must be equal to or exceed 680;
21. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
22. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
23. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY
Specific Pledge Insurance Companies - See requirements for *Blanket pledge (QCD) and Non-depository CDFIs and Housing Associates*on pg. 83.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY UNDERWRITTEN TO A *DEBT SERVICE COVERAGE RATIO (DSCR)* STANDARD (i.e., BUSINESS PURPOSE)				
i. Amortizing mortgages	N/A	N/A	72% (market value*)	69% (market value*)
ii. Interest-only mortgages	N/A	N/A	72% (market value*)	69% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Specific Pledge Insurance Companies

1. Loans must be secured by real estate:
   a. Loans must be secured by one-to-four family dwelling units located in the United States; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Total Loan-to-value ratios for primary residence cannot exceed 80 percent;
      i) Appraisals must be prepared by a licensed or certified appraiser, licensed or certified in the state which the subject property is located and the appraisal must comply with the USPAP, and with Fannie Mae Form 1007, Freddie Mac Form 1000 or comparable Single-Family Comparable Rent Schedule that provides the appraiser with a format intended to estimate the current monthly market rent of the subject property;
      ii) Appraisal is either appraised with an "as is" market value defined as an estimate of the market value of a real property in its current physical condition, use, and zoning as of the effective date of the appraisal or has a completion certificate for "subject to" assignment conditions indicating that the market value opinion conditioned upon the completion of repairs, alterations, or construction as of a future date.
   b. The mortgage amount must equal or exceed outstanding principal amount on note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Fully Disbursed (closed-end loans only; no revolving lines of credit);
5. Wholly Owned;
6. No held-for-sale mortgage loans;
7. Term to maturity cannot exceed 360 months;
8. No reverse mortgage loans;
9. No residential land development loans (including vacant land);
10. No construction or rehabilitation loans;
11. Debt Service Coverage Ratio (DSCR):
    a. For fixed-rate or fully amortizing adjustable rate mortgage loans, DSCR must equal or exceed 1.00;
    b. For mortgage loans with an interest-only payment feature, DSCR must equal or exceed 1.20;
    c. Rental income used in the DSCR calculation must be the lesser of: (1) actual monthly leased amount; (2) the Fannie Mae Form 1007; (3) Freddie Mac Form 1000; (4) or comparable Single-Family Comparable Rent Schedule market rent, divided by the sum of principal and interest, real estate taxes, property and flood insurance and owners' association dues (if applicable).

(continued on next page)

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY

Specific Pledge Insurance Companies - See requirements for *Blanket pledge (QCD) and Non-depository CDFIs and Housing Associates*on pg. 83.

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY UNDERWRITTEN TO A *DEBT SERVICE COVERAGE RATIO (DSCR)* STANDARD (i.e., BUSINESS PURPOSE)				
i. Amortizing mortgages	N/A	N/A	72% (market value*)	69% (market value*)
ii. Interest-only mortgages	N/A	N/A	72% (market value*)	69% (market value*)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements for Specific Pledge Insurance Companies *(continued from previous page)*

12. Short-term rentals acceptable if trailing 12-month occupancy exceeds 60 percent. Short term rentals include properties listed with booking platforms, such as Airbnb and VRBO;
13. Maximum ownership interest in 50 single-family residential properties
14. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
15. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
16. No Lease Loans;
17. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
18. Loans cannot be more than 60 days delinquent anytime in the past three months. Delinquency reports may be required to be submitted to FHLBank.
19. No loans that violate FHLBank's Anti-Predatory Lending Policy;
20. Loans originated or acquired after July 10, 2007, must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
21. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
22. Amortization:
    a. No negative amortization;
    b. If note structure is fixed-rate or fully amortizing adjustable rate payment feature, FICO score must be equal to or exceed 680;
    c. If note structure allows for interest-only payments, FICO scores must be equal to or exceed 680;
23. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
24. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
25. Mortgage loans cannot be made to irrevocable trusts or Buy, Rehab, Rent, Refinance, Repeat investors;
26. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or the FHLBank; and not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
B. FEDERAL HOUSING ADMINISTRATION (FHA)-INSURED MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
i. Not more than 90 days delinquent	85% (unpaid principal)	85% (market value*)	85% (market value*)	82% (market value*)
ii. More than 90 days delinquent	85% (guaranteed portion)	85% (market value*)	85% (market value*)	82% (market value*)
C. VETERANS AFFAIRS (VA)-GUARANTEED MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
i. Not more than 90 days delinquent	74% (unpaid principal)	74% (unpaid principal)	74% (market value*)	71% (market value*)
ii. More than 90 days delinquent	74% (guaranteed portion)	74% (guaranteed portion)	74% (guaranteed portion*)	71% (guaranteed portion*)

eNotes are eligible for pledging within these categories; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements

1. Loans must comply with the Agency's underwriting guidelines;
2. Wholly Owned;
3. No held-for-sale mortgage loans;
4. No reverse mortgage loans;
5. No residential land development loans (including vacant land);
6. No construction or rehabilitation loans;
7. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
8. No Lease Loans;
9. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
10. No loans that violate FHLBank's Anti-Predatory Lending Policy;
11. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
12. No negative amortization;
13. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
14. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
15. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
16. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
D. HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
i. HFS SF mortgages eligible to be sold to FNMA, FHLMC or GNMA	82% (unpaid principal)	82% (unpaid principal)	82% (market value)	79% (market value)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

Underwriting Requirements

1. Maximum aggregate lending value applicable for institutions reporting HFS SF loans via the Qualifying Collateral Determination (QCD) form is limited to 15 percent of institution's total assets. Institutions wanting to exceed this amount will be required to submit loan data detail on a daily basis;
2. Wholly Owned;
3. No reverse mortgage loans;
4. No residential land development loans (including vacant land);
5. No construction or rehabilitation loans;
6. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
7. No Lease Loans;
8. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
9. Pipeline Limitations:
   a. Blanket Pledge Members' (excluding non-depository CDFI Members) loans cannot exceed 90 days from origination date of the mortgage;
   b. Specific Pledge Members' and non-depository CDFI Members' loans cannot exceed 45 days from origination date of the mortgage;
10. Delinquency:
    a. Loans cannot be more than 30 days delinquent;
    b. Delinquency reports may be required to be submitted to FHLBank;
11. No loans that violate FHLBank's Anti-Predatory Lending Policy;
12. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
13. No negative amortization or interest only loans;
14. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;

(continued on next page)

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
D. HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
i. HFS SF mortgages eligible to be sold to FNMA, FHLMC or GNMA	82% (unpaid principal)	82% (unpaid principal)	82% (market value)	79% (market value)

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

Underwriting Requirements

15. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and

16. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

In addition to the general HFS SF underwriting requirements identified above, the loans must also comply with the following:

17. Loans must comply with Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) or Government National Mortgage Association (GNMA) underwriting guidelines;

18. Loans eligible to be sold to FNMA or FHLMC must be underwritten utilizing Desktop Underwriter® (DU) or Loan Product Advisor® (LP) and the documentation must be maintained that reflects a DU Approve/Eligible or an LP Accept/Eligible; and

19. Loans eligible to be sold to GNMA must be underwritten utilizing Technology Open To Approved Lenders (TOTAL) Mortgage Scorecard and documentation must be maintained that reflects a TOTAL Scorecard Accept or Refer (any Refer must also include the Direct Endorsement underwriter's approval), except for VA-guaranteed Interest Rate Reduction Refinance Loans and FHA-insured Streamlined Refinance transactions, assumptions and mortgages made to nonprofit/Governmental Entity Borrowers.

Collateral Type : **I. Loans**

1. ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
D. HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
ii. HFS SF mortgages NOT eligible to be sold to FNMA, FHLMC or GNMA	75% (unpaid principal)	75% (unpaid principal*)	N/A	N/A

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements

In addition to the general HFS SF underwriting requirements (1-16 on pages 75-76), the loans must also comply with the following:

1. Loans must be secured by real estate:
   a. Loans must be secured by one-to-four family dwelling units located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. The mortgage amount must equal or exceed the outstanding principal amount on the note; and
   b. The mortgage and/or deed of trust and all subsequent assignments must show evidence of submission to recorder's office for proper recording;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Fully Disbursed (closed-end loans only, no revolving lines of credit);
5. Term to maturity cannot exceed 360 months;
6. No Sub-prime Loans;
7. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
8. Loans originated or acquired after July 10, 2007 must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending; and
9. Loan-to-value ratios cannot exceed 100 percent (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule, with the exception of an AVM, which are not eligible); and
10. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;

Collateral Type : **I. Loans** *Continued*

2. MORTGAGES ON MULTIFAMILY RESIDENTIAL REAL PROPERTY				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	72% (unpaid principal)	72% (market value*)	76% (market value*)	73% (market value*)

* Maximum lending value on individual loan is limited to $200 million.

Includes multifamily residential properties financed by 9% Low Income Housing Tax Credits (LIHTC). FHLBank will evaluate multifamily residential properties financed by 4% LIHTCs for eligibility on a case-by-case basis. See Definitions section for more about LIHTC.

Underwriting Requirements

1. Loans must be secured by real estate (furniture, fixtures and equipment (FF&E) will not be considered):
   a. Loans must be secured by multifamily dwelling units located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;

2. Amortization:
   a. No negative amortization;
   b. If note structure allows for interest-only payment features, the interest-only period must be 10 years or less;

3. Fully Secured:
   a. Loan-to-value ratio:
      i) Blanket Pledge Members' (excluding non-depository CDFI Members) loan-to-value ratios cannot exceed 85% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule and the value of FF&E will not be accepted as part of the loan-to-value calculation);
      ii) Specific Pledge Members', non-depository CDFI Members' and housing associates' loan-to-value ratios cannot exceed 70% and, if applicable, the combined loan-to-value ratios cannot exceed 80% (appraisal prepared by an appraiser with Member Appraisal Institute (MAI) professional designation and the value of FF&E will not be accepted as part of the loan-to-value calculation);
   b. Debt Service Coverage Ratio (DSCR):
      i) Blanket Pledge Members' (excluding non-depository CDFI Members) DSCR must equal or exceed 1.00;
      ii) Specific Pledge Members', non-depository CDFI Members' and housing associates' DSCR must equal or exceed 1.25 and updated no less than annually. Lower DSCRs may be accepted if loan is fully amortizing over a shorter time period (less than 20 years). For interest only periods exceeding 7 years and up to 10 years, the DSCR must equal or exceed 1.50;
      iii) DSCR is the relationship of the property's annual net operating income to the annual mortgage debt service (interest-only payment or principal and interest payments). While there are various prudent underwriting and risk assessment methods used in creating and calculating DSCR within the real estate financing industry, FHLBank does not dictate a specific DSCR calculation, but will expect the method used to be well documented and readily available, if requested by FHLBank.
   c. The mortgage amount must equal or exceed outstanding principal amount on the note; and
   d. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office.

4. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;

5. Fully Disbursed (closed-end loans only; no revolving lines of credit);

(continued on next page)

Collateral Type : **I. Loans** *Continued*

2. MORTGAGES ON MULTIFAMILY RESIDENTIAL REAL PROPERTY				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	72% (unpaid principal)	72% (market value*)	76% (market value*)	73% (market value*)

* Maximum lending value on individual loan is limited to $200 million.

Includes multifamily residential properties financed by 9% Low Income Housing Tax Credits (LIHTC). FHLBank will evaluate multifamily residential properties financed by 4% LIHTCs for eligibility on a case-by-case basis. See Definitions section for more about LIHTC.

Underwriting Requirements *(continued from previous page)*

6. Wholly Owned;
7. Term to maturity cannot exceed 360 months;
8. No residential land development loans (including vacant land);
9. No construction or rehabilitation loans;
10. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
11. No Lease Loans;
12. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
13. Delinquency:
    a. Blanket Pledge Members' (excluding non-depository CDFI Members) loans can not be more than 60 days delinquent;
    b. Specific Pledge Members', non-depository CDFI Members' and housing associates' loans cannot be more than 60 days delinquent in the past 12 months; and
    c. Delinquency reports may be required to be submitted to FHLBank.
14. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
15. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
16. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
17. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
18. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **II. Securities**

- For securities with cash flows derived from underlying collateral, i.e., Collateralized Mortgage Obligations (CMOs), excluding interest-only or principal-only securities.
- Prices must be readily available through the FHLBank's pricing vendors. FHLBank primarily uses one pricing vendor to value securities collateral each day, while completing a month-end review to validate consistent pricing amongst FHLBank's pricing vendors. For those securities experiencing greater price variability amongst FHLBank pricing vendors, FHLBank may adjust values to account for the additional security price risk.
- No IBOR-indexed (including LIBOR®) adjustable interest rate securities that remains IBOR-linked after June 30, 2023, and do not have Effective Fallback Language. Please refer to definition section for Effective Fallback Language.
- Prospectus may be required to determine security eligibility.
- Security ratings must be obtained from at least one of the following Nationally Recognized Statistical Rating Organizations (NRSROs): Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc., or Fitch Ratings Inc.; and the lowest rating identified will be applied. A security rating under a negative watch will be assigned up to a full letter grade reduction until the current rating watch is resolved.

1. AGENCY RESIDENTIAL MORTGAGE PASS-THROUGH SECURITIES (INCLUDING UNIFORM MBS)

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final Maturity three years or less	N/A	97% (market value)	97% (market value)	88% (market value)
B. Final Maturity greater than three years but not greater than seven years	N/A	96% (market value)	96% (market value*)	86% (market value*)
C. Final maturity greater than seven years	N/A	94% (market value)	94% (market value))	85% (market value)

Underwriting Requirements

1. Securities issued and guaranteed by GNMA, FNMA or FHLMC only; and
2. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy.

Collateral Type : **II. Securities**

2. AGENCY CMOs

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	95% (market value)	95% (market value)	88% (market value)

Underwriting Requirements

1. Securities issued and guaranteed by GNMA, FNMA or FHLMC only;
2. Securities' underlying cash flows must be derived from mortgages on one-to-four family residential real property;
3. This includes real estate mortgage investment conduits (REMICs) but excludes inverse floaters, residual, support, subordinated, junior, mezzanine, structured, complex and Z tranches; and
4. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy.

3. AGENCY-STRUCTURED BONDS (STEP-UP, INVERSE FLOATER, MULTIPLE INDEX, DUAL INDEX, LEVERAGED INDEX, INDEX AMORTIZING PRINCIPAL, ETC.)

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	92% (market value)	92% (market value)	77% (market value)

4. OTHER AGENCY CMOs

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	91-95% (market value*)	91-95% (market value*)	73-88% (market value*)

* Lending value dependent upon underlying collateral and security structure.

Underwriting Requirements

1. Securities issued and guaranteed by GNMA, FNMA or FHLMC only;
2. Securities' underlying cash flows must be derived from mortgages on one-to-four family or multifamily residential real property or loans secured by revenue generating commercial real estate properties or income-generating commercial real estate properties located in the U.S.;
3. This includes inverse floaters, support, subordinated, junior, mezzanine, structured, complex and Z tranches; and
4. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy.

Collateral Type : **II. Securities**

5. U.S. TREASURY BILLS (T-BILLS)				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	99% (market value)	99% (market value)	96% (market value)

6. FIXED RATE U.S. TREASURY PRINCIPAL-ONLY AND INTEREST-ONLY NOTES AND BONDS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final maturity one year or less	N/A	99% (market value)	99% (market value)	96% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	96% (market value)	96% (market value)	88% (market value)
C. Final maturity greater than five years	N/A	89% (market value)	89% (market value)	67% (market value)

Underwriting Requirements

1. Includes both original issue zero-coupon bonds and principal-only or interest-only STRIPS (Separate Trading of Registered Interest and Principal of Securities).

Collateral Type : **II. Securities** *Continued*

7. FIXED RATE U.S. TREASURY NOTES AND BONDS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final maturity one year or less	N/A	99% (market value)	99% (market value)	98% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	97% (market value)	97% (market value)	92% (market value)
C. Final maturity greater than five years	N/A	93% (market value)	93% (market value)	79% (market value)

8. FLOATING RATE U.S. TREASURY NOTES AND BONDS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Reprices annually or more often	N/A	99% (market value)	99% (market value)	98% (market value)
B. Reprices less often than annually	N/A	97% (market value)	97% (market value)	92% (market value)

Collateral Type : **II. Securities** *Continued*

9. FIXED RATE AGENCY PRINCIPAL-ONLY AND INTEREST-ONLY NOTES AND BONDS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final maturity one year or less	N/A	98% (market value)	98% (market value)	95% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	95% (market value)	95% (market value)	87% (market value)
C. Final maturity greater than five years	N/A	88% (market value)	88% (market value)	65% (market value)

10. FIXED RATE AGENCY NOTES AND NON-STRUCTURED BONDS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final maturity one year or less	N/A	98% (market value)	98% (market value)	96% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	96% (market value)	96% (market value)	91% (market value)
C. Final maturity greater than five years	N/A	92% (market value)	92% (market value)	77% (market value)

Underwriting Requirements

1. Includes both original issue zero-coupon bonds and principal-only or interest-only STRIPS.

Collateral Type : **II. Securities** *Continued*

11. FLOATING RATE AGENCY NOTES AND BONDS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Reprices annually or more often	N/A	98% (market value)	98% (market value)	96% (market value)
B. Reprices less often than annually	N/A	96% (market value)	96% (market value)	91% (market value)

12. PRIVATE ISSUE CMOs

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA	N/A	92% (market value)	92% (market value)	79% (market value)
B. Securities rated AA	N/A	87% (market value)	87% (market value)	65% (market value)

Underwriting Requirements

1. Securities' underlying cash flows must be derived from Fully Disbursed, whole first mortgages on one-to-four family residential real property.
2. This includes REMICs but excludes residual, support, subordinated, junior, inverse floaters, mezzanine, structured, complex or Z tranches;
3. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy;
4. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending subject to 5 percent of mortgages with FICO < 660 (an additional haircut will be applied); and
5. Securities must be successfully modeled by FHLBank, with no projected cash flow shortfalls produced from the modeling.

Collateral Type : **II. Securities** *Continued*

13. PRIVATE ISSUE RESIDENTIAL MORTGAGE PASS-THROUGH SECURITIES	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA	N/A	92% (market value)	92% (market value)	79% (market value)
B. Securities rated AA	N/A	87% (market value)	87% (market value)	65% (market value)

Underwriting Requirements

1. Securities' underlying cash flows must be derived from Fully Disbursed,, whole first mortgages on one-to-four family residential real property;
2. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
3. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy;
4. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending subject to 5 percent of mortgages with FICO < 660 (an additional haircut will be applied); and
5. Securities must be successfully modeled by FHLBank, with no projected cash flow shortfalls produced from the modeling.

Collateral Type : **II. Securities** *Continued*

14. OTHER PRIVATE ISSUE CMOs

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA	N/A	83-92% (market value)	83-92% (market value)	55-79% (market value)
B. Securities rated AA	N/A	71-87% (market value)	71-87% (market value)	23-65% (market value)

Underwriting Requirements

1. Securities must be rated AA or better;
2. Securities' underlying cash flows must be derived from mortgages on one-to-four family, multifamily residential real property or loans secured by revenue generating commercial real estate properties or income-generating commercial real estate properties located in the U.S.;
3. This includes support, inverse floaters and mezzanine tranches;
4. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
5. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy;
6. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risk, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending subject to 5 percent of mortgages with FICO < 660 (an additional haircut will be applied); and
7. Securities must be successfully modeled by FHLBank, with no projected cash flow shortfalls produced from the modeling.

15. COMMERCIAL MORTGAGE BACKED SECURITIES 100% DEFEASED

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	92% (market value)	92% (market value)	77% (market value)

Underwriting Requirements

1. Securities must be rated at least equivalent to the U.S. Government; and
2. Securities' underlying cash flows have been defeased by U.S. Treasury or Agency securities.

Collateral Type : **II. Securities** *Continued*

16. COMMERCIAL MORTGAGE BACKED SECURITIES LESS THAN 100% DEFEASED

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA	N/A	91% (market value*)	91% (market value*)	83% (market value*)
B. Securities rated AA	N/A	83% (market value*)	83% (market value*)	81% (market value*)

* Maximum lending value on a single asset/single borrower CMBS is limited to $75 million.

Underwriting Requirements

1. Securities must be rated AA or better;
2. Securities' underlying cash flows must be derived from mortgages on one-to-four family, multifamily residential real property or loans secured by revenue generating commercial real estate properties or income-generating commercial real estate properties located in the U.S.;
3. This excludes residual, support, subordinated, junior, inverse floaters, mezzanine, structured, complex or Z tranches; and
4. Securities must be successfully modeled by FHLBank, with no projected cash flow shortfalls produced from the modeling.

17. COMMERCIAL MORTGAGE BACKED SECURITIES LESS THAN 100% DEFEASED

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA	N/A	80-84% (market value*)	80-84% (market value)	62-70% (market value*)
B. Securities rated AA	N/A	62-70% (market value*)	62-70% (market value*)	58-66% (market value*)

* Maximum lending value on a single asset/single borrower CMBS is limited to $75 million.

Underwriting Requirements

1. Securities must be rated AA or better;
2. Securities' underlying cash flows must be derived from mortgages on one-to-four family, multifamily residential real property or loans secured by revenue generating commercial real estate properties or income-generating commercial real estate properties located in the U.S.;
3. This includes support, inverse floaters and mezzanine tranches within a non-subordinated class; and
4. Securities must be successfully modeled by FHLBank, with no projected cash flow shortfalls produced from the modeling.

Collateral Type : **II. Securities** *Continued*

18. SECURITIES FULLY GUARANTEED BY THE SMALL BUSINESS ADMINISTRATION (SBA)				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Final maturity one year or less	N/A	98% (market value)	98% (market value)	96% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	96% (market value)	96% (market value)	91% (market value)
C. Final maturity greater than five years	N/A	92% (market value)	92% (market value)	77% (market value)

19. STUDENT LOAN ASSET BACKED SECURITIES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	92% (market value)	92% (market value)	77% (market value)

Underwriting Requirements

1. Securities must be rated AA by at least two independent rating agencies;
2. Securities underlying cashflows must be derived from Federal Family Education Loan Program (FFELP) loans which have at a minimum 97% guarantee under the FFELP; and
3. Securities underlying loan collateral must be Fully Disbursed, no revolving lines.

Collateral Type : **II. Securities** *Continued*

20. STATE AND LOCAL GOVERNMENT SECURITIES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. General Obligation Securities rated AAA	N/A	95% (market value)	95% (market value)	89% (market value)
B. General Obligation Securities rated AA	N/A	92% (market value)	92% (market value)	86% (market value)
C. Revenue Securities rated AAA	N/A	92% (market value)	92% (market value)	84% (market value)
D. Revenue Securities rated AA	N/A	91% (market value)	91% (market value)	83% (market value)

Underwriting Requirements

1. Prospectus must describe the amount of bond proceeds used for real estate related purposes;
2. A portion of the State and Local Government securities proceeds must be used to finance the acquisition, development or improvement of real estate; and
3. Securities must be rated AA or better.

Collateral Type : **III. Deposits**

FHLBANK OVERNIGHT DEPOSITS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	100% (face amount)	100% (face amount)	100% (face amount)

Collateral Type : **IV. Other Real Estate-Related Collateral – Potential for Assets to Be Considered Restricted Collateral**

Restricted collateral includes Categories IV and V collateral. For institutions pledging collateral via the Blanket (QCD) Lending Value Reporting template the aggregate amount of restricted collateral is limited to 30 percent of an institution's total assets. For institutions pledging collateral via the Delivered (Limited) Lending Value and Delivered (Expanded) Lending Value Reporting templates, there is no limit on the pledging of restricted collateral. Blanket Pledge Members pledging loan collateral via the Blanket (QCD) Lending Value Reporting template are expected to exhaust all other eligible unrestricted loan collateral before pledging Category IV or V collateral.

1. AGRICULTURAL REAL ESTATE				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	74% (unpaid principal)	74% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $50 million.

Underwriting Requirements

1. Loans must be secured by real estate:
   a. Loans must be secured by agricultural property located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Loan-to-value ratios cannot exceed 85% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule);
   b. The mortgage amount must equal or exceed outstanding principal amount on the note;
   c. The mortgage and/or deed of trust and all other subsequent assignments must show evidence of proper recording with the recorder's office.
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Fully Disbursed (closed-end loans only; no revolving lines of credit);
5. Wholly Owned;
6. Term to maturity cannot exceed 360 months;
7. No land development loans;
8. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
9. No loans secured by property to be used for any marijuana-related business;
10. No Lease Loans;
11. No leasehold estates;
12. Within legal lending limit;
13. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
14. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);

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Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

1. AGRICULTURAL REAL ESTATE

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	74% (unpaid principal)	74% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $50 million.

2. COMMERCIAL REAL ESTATE

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	70% (unpaid principal)	70% (market value*)	70% (market value*)	67% (market value*)

* Maximum lending value on individual loan is limited to $200 million.

Underwriting Requirements *(continued from previous page)*

15. Amortization:
    a. No negative amortization;
    b. If note structure allows for interest-only payment features, annual financial statements are required, and the interest-only period must be 18 months or less;
16. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
17. No loans guaranteed under any U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Guaranteed Farm Loan Program;
18. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
19. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
20. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Underwriting Requirements

1. Loans must be secured by real estate (FF&E will not be considered);
   a. Loans must be secured by commercial property located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Amortization:
   a. No negative amortization;
   b. If note structure allows for interest-only payment features, annual financial statements are required, and the interest-only period must be 10 years or less;
3. Fully Secured:
   a. Loan-to-value ratio:
      i) Blanket Pledge Members' (excluding non-depository CDFI Members) loan-to-value ratios cannot exceed 85% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than $250,000 [$500,000 for loans originated on or after April 9, 2018] or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines and the value of FF&E will not be accepted as part of the loan-to-value calculation);
      ii) Specific Pledge Members', non-depository CDFI Members' and housing associates' loan-to-value ratios cannot exceed 70% and, if applicable, the combined loan-to-value ratios cannot exceed 80% (appraisal prepared by an appraiser with MAI professional designation and the value of FF&E will not be accepted as part of the

(continued on next page)

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

2. COMMERCIAL REAL ESTATE				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	70% (unpaid principal)	70% (market value*)	70% (market value*)	67% (market value*)

* Maximum lending value on individual loan is limited to $200 million.

Underwriting Requirements *(continued from previous page)*

loan-to-value calculation);
b. Debt Service Coverage Ratio (DSCR):
   i) Blanket Pledge Members' (excluding non-depository CDFI Members) DSCR must equal or exceed 1.00;
   ii) Specific Pledge Members', non-depository CDFI Members' and housing associates' DSCR must equal or exceed 1.25 and updated no less than annually. Lower DSCRs may be accepted if loan is fully amortizing over a shorter time period (less than 20 years). For interest only periods exceeding 7 years and up to 10 years, the DSCR must equal or exceed 1.50;
   iii) DSCR is the relationship of the property's annual net operating income to the annual mortgage debt service (interest-only payment or principal and interest payments). While there are various prudent underwriting and risk assessment methods used in creating and calculating DSCR within the real estate financing industry, FHLBank does not dictate a specific DSCR calculation, but will expect the method used to be well documented and readily available, if requested by FHLBank.
c. Specific Pledge Members', non-depository CDFI Members' and housing associates' loans must be secured by properties that have a contractual payment stream (includes only office, retail and industrial, however excludes any Special Purpose Property);
d. The mortgage amount must equal or exceed outstanding principal amount of the note; and
e. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;

4. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
5. Fully Disbursed (closed-end loans only; no revolving lines of credit);
6. Wholly Owned;
7. Term to maturity cannot exceed 360 months;
8. No commercial land development loans (including vacant land);
9. No construction or rehabilitation loans;
10. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
11. No loans secured by property to be used for any marijuana-related business;
12. No loans secured by real estate that exhibit adverse environmental factors (i.e., gas/service stations, auto repair, auto dealerships or industrial sites that process or distribute toxic chemical substances or mixtures), unless supported, at a minimum, by a Phase I Environmental Site Assessment concluding that no further assessment is warranted;
13. No Lease Loans;
14. No leasehold estates;

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Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

2. COMMERCIAL REAL ESTATE

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	70% (unpaid principal)	70% (market value*)	70% (market value*)	67% (market value*)

* Maximum lending value on individual loan is limited to $200 million.

Underwriting Requirements (*continued from previous page*)

15. Within legal lending limit for Blanket Pledge Members;
16. Delinquency:
    a. Blanket Pledge Members' (excluding non-depository CDFI Members) loans cannot be more than 60 days delinquent;
    b. Specific Pledge Members', non-depository CDFI Members' and housing associates' loans cannot be more than 60 days delinquent anytime in the past 12 months;
    c. Delinquency reports may be required to be submitted to FHLBank;
17. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
18. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
19. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
20. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
21. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

3. SECOND MORTGAGES ON RESIDENTIAL ONE-TO-FOUR FAMILY PROPERTY

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	65% (unpaid principal)	65% (market value*)	N/A	N/A

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements

1. Loans must be secured by real estate;
   a. Loans must be secured by second mortgages on one-to-four family dwelling units located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Aggregate loan-to-value ratio of the first and second lien cannot exceed 100% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule, with the exception of an AVM, which are not eligible);
   b. The mortgage amount must equal or exceed outstanding principal amount on the note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office.
3. Second lien enforceability (as evidenced by title insurance policy or title opinion). If lien search does not cite subject mortgage as second lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first or second

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Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

3. SECOND MORTGAGES ON RESIDENTIAL ONE-TO-FOUR FAMILY PROPERTY

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	65% (unpaid principal)	65% (market value*)	N/A	N/A

eNotes are eligible for pledging within this category; however, members will need prior approval from FHLBank prior to pledging, which will include the completion of the eNotes Readiness Checklist.

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements (*continued from previous page*)

lien position;

4. Fully Disbursed (closed-end loans only, no revolving lines of credit);
5. Wholly Owned;
6. Term to maturity cannot exceed 360 months;
7. No Sub-prime loans;
8. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
9. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
10. No Lease Loans;
11. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
12. No loans that violate FHLBank's Anti-Predatory Lending Policy;
13. Loans originated or acquired after July 10, 2007 must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
14. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
15. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
16. No negative amortization loans;
17. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
18. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
19. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
20. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

4. HOME EQUITY LINES OF CREDIT (HELOCs)				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	65% (unpaid principal)	65% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements (*continued from previous page*)

1. Loans must be secured by real estate:
   a. Loans must be secured by a first or second mortgage on one-to-four family dwelling units located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Aggregate loan-to-value ratio of the first and second lien cannot exceed 100% (maximum credit line shall be used in determining loan-to-value on HELOCs and appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule, with the exception of an AVM, which are not eligible);
   b. The mortgage amount must equal or exceed outstanding principal amount on the note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office.
3. First or second lien enforceability (as evidenced by title insurance policy or title opinion). If lien search does not cite subject mortgage as first or second lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first or second lien position;
4. Wholly Owned;
5. Term to maturity cannot exceed 360 months;
6. No Sub-prime loans;
7. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
8. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
9. No Lease Loans;
10. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
11. No loans that violate FHLBank's Anti-Predatory Lending Policy;
12. Loans originated or acquired after July 10, 2007 must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
13. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
14. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
15. No negative amortization loans;

(continued on next page)

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

4. HOME EQUITY LINES OF CREDIT (HELOCs)

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	65% (unpaid principal)	65% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $10 million.

5. RESIDENTIAL CONSTRUCTION MORTGAGES

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	62% (unpaid principal)	62% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $10 million.

16. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
17. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
18. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
19. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Underwriting Requirements

1. Single-Closing Construction-to-Permanent and Two-Closing Construction-to-Permanent loans must be secured by real estate;
    a. Loans must be secured by construction of one-to-four family dwelling units located in the U.S.; and
    b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
    a. Loan-to-value ratios cannot exceed 100% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule, with the exception of an AVM, which are not eligible);
    b. The mortgage amount must equal or exceed outstanding principal amount on the note; and
    c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Wholly Owned;
5. No spec loans (loans must have contract/commitment for sale or rent);
6. No residential land development loans (including vacant land);
7. No Sub-prime loans;

(continued on next page)

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

5. RESIDENTIAL CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	62% (unpaid principal)	62% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to $10 million.

Underwriting Requirements *(continued from previous page)*

8. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
9. No loans secured by property subject to Private Transfer Fee covenants, unless the Private Transfer Fee covenants meet the definition of an excepted transfer fee covenant;
10. No Lease Loans;
11. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
12. No loans that violate FHLBank's Anti-Predatory Lending Policy;
13. Loans originated or acquired after July 10, 2007, must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, the Statement on Subprime Mortgage Lending, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
14. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
15. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
16. Amortization:
    a. Note structure requires interest-only or principal payments;
    b. Negative amortization is not permitted;
    c. The maximum period of an initial advance may not exceed 12 months, and an extension of the advance period is allowed with a signed modification not to exceed a total advance period of 18 months; and
    d. The loan requires an updated credit review after 12 months.
17. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
18. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
19. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
20. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

6. MULTIFAMILY CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Case-by-Case	Case-by-Case	N/A	N/A

Underwriting Requirements

1. Loans must be secured by real estate:
   a. Loans must be secured by construction of multifamily dwelling units located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;

2. Fully Secured:
   a. Loan-to-value ratios cannot exceed 85% (appraisals and evaluations are in compliance with or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines, as amended by final rule);
   b. The mortgage amount must equal or exceed outstanding principal amount on the note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;

3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;

4. Wholly Owned;

5. No residential/commercial land development loans (including vacant land);

6. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;

7. No Lease Loans;

8. Loans on property subject to a leasehold must be on a Qualifying Leasehold;

9. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);

10. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);

12. Amortization:
    a. If note structure allows for negative amortization or interest-only payments, annual financial statements are required, and the term is limited to 24 months or less; or
    b. If note structure requires at least an annual principal payment (no negative amortization), annual financial statements are not required, and there are no term limitations;

(continued on next page)

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

6. MULTIFAMILY CONSTRUCTION MORTGAGES

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Case-by-Case	Case-by-Case	N/A	N/A

7. COMMERCIAL CONSTRUCTION MORTGAGES

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Case-by-Case	Case-by-Case	N/A	N/A

Underwriting Requirements *(continued from previous page)*

13. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
14. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
15. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
16. Not pledged in whole or in part to other creditor(s) or in any other FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Underwriting Requirements

1. Loans must be secured by real estate:
   a. Loans must be secured by construction of commercial property located in the U.S.; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. Fully Secured:
   a. Loan-to-value ratios cannot exceed 85% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than $250,000 [$500,000 for loans originated on or after April 9, 2018] or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines);
   b. The mortgage amount must equal or exceed outstanding principal amount on the note; and
   c. The mortgage and/or deed of trust and all subsequent assignments must show evidence of proper recording with the recorder's office;
3. First lien enforceability (as evidenced by title insurance policy, title opinion or by an independent third-party title search as permitted by state law). If lien search does not cite subject mortgage as first lien, loan documentation should confirm subordinations, releases or title insurance endorsement ensuring first lien position;
4. Wholly Owned;

(continued on next page)

Collateral Type : **IV. Other Real Estate-Related Collateral**

7. COMMERCIAL CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Case-by-Case	Case-by-Case	N/A	N/A

Underwriting Requirements *(continued from previous page)*

5. No residential/commercial land development loans (including vacant land);
6. No loans secured by property subject to a lien granted to a locality pursuant to an energy retrofit program, including programs denominated as PACE programs that takes priority over the first mortgage;
7. No loans secured by property to be used for any marijuana-related business;
8. No loans secured by real estate that exhibit adverse environmental factors (i.e. gas/service stations, auto repair, auto dealerships or industrial sites that process or distribute toxic chemical substances or mixtures), unless supported, at a minimum, by a Phase I Environmental Site Assessment concluding that no further assessment is warranted;
9. No Lease Loans;
10. No leasehold estates;
11. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
12. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
13. Amortization:
    a. If note structure allows for negative amortization or interest-only payments, annual financial statements are required, and the term is limited to 24 months or less; or
    b. If note structure requires at least an annual principal payment (no negative amortization), annual financial statements are not required, and there are no term limitations;
14. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;
15. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
16. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
17. Not pledged in whole or in part to other creditor(s) or in any other FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Collateral Type : **IV. Other Real Estate-Related Collateral**

Continued

8. NON-LEAD LENDER PARTICIPATION LOANS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Applicable asset classification lending value decreased by an additional 10%	Applicable asset classification lending value decreased by an additional 10%	N/A	N/A

Underwriting Requirements

1. Loans must be secured by one-to-four family residential real property, multifamily residential real property, agricultural real estate or commercial real estate;
2. Loans must meet the underwriting requirements established for the asset classification as stated in the Member Products Policy, except for the underwriting requirements requiring the loan to be Wholly Owned and retention of the original note;
3. The Participation Agreement must have "wet" signatures from all parties and the original document must be retained;
4. Lead lender must be a Member of FHLBank Topeka; and
5. Prior to pledging, FHLBank must have on file an FHLBank Participation Security Agreement executed by the Member and an FHLBank Participation Acknowledgment of Custody executed by the Member and the lead lender.

9. OTHER REAL ESTATE-RELATED PROPERTY

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case

Underwriting Requirements

Specific collateral will be reviewed on a Case-by-Case basis, and prior approval must be granted by FHLBank senior management.

Collateral Type : **V. Other Collateral – Potential for Assets to Be Considered Restricted Collateral**

Restricted collateral includes Categories IV and V collateral. For institutions pledging collateral via the Blanket (QCD) Lending Value Reporting template the aggregate amount of restricted collateral is limited to 30 percent of an institution's total assets. For institutions pledging collateral via the Delivered (Limited) Lending Value and Delivered (Expanded) Lending Value Reporting templates, there is no limit on the pledging of restricted collateral. Blanket Pledge Members pledging loan collateral via the Blanket (QCD) Lending Value Reporting template are expected to exhaust all other eligible unrestricted loan collateral before pledging Category IV or V collateral.

1. OPERATING LOANS (CROPS AND LIVESTOCK) ELIGIBLE ONLY TO COMMUNITY FINANCIAL INSTITUTION (CFI) MEMBERS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	69% (unpaid principal)	69% (market value)	N/A	N/A

Underwriting Requirements

1. Loans must be Fully Secured:
   a. Loans must be secured by crops and/or livestock and/or in combination with Agriculture Real Estate located in the U.S.; Agriculture Real Estate must meet FHLBank's eligibility requirements and there must be sufficient equity in the Agriculture Real Estate loan transaction to permit cross collateralization; and
   b. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
2. First lien enforceability (as evidenced by UCC filing and Search)
3. Wholly Owned;
4. No loans secured by property to be used for any marijuana-related business;
5. No Lease Loans;
6. No Carryover Debt;
7. Within legal lending limit;
8. Not more than 60 days delinquent (delinquency reports may be required to be submitted);
9. No loans guaranteed under any U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Guaranteed Farm Loan Program;
10. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to: (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
11. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
12. Amortization:
    a. If note structure allows for negative amortization or interest-only payments, annual financial statements are required and the term is limited to 18 months or less; or
    b. If note structure requires at least an annual principal payment (no negative amortization), annual financial statements are not required, and there are no term limitations;
13. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or
    b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;

(continued on next page)

Collateral Type: **V. Other Collateral** *Continued*

1. OPERATING LOANS (CROPS AND LIVESTOCK) ELIGIBLE ONLY TO COMMUNITY FINANCIAL INSTITUTION (CFI) MEMBERS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	69% (unpaid principal)	69% (market value)	N/A	N/A

2. EQUIPMENT LOANS-ELIGIBLE ONLY TO CFI MEMBERS

	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	62% (unpaid principal)	62% (market value)	N/A	N/A

Underwriting Requirements *(continued from previous page)*

14. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
15. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

Underwriting Requirements

1. Loans must be Fully Secured;
2. Loans must be secured by equipment located in the U.S.; and
3. The note (including assumptions or endorsements) must have "wet" signatures from all borrowers and the original documents must be retained. Modifications and extensions may have electronic signatures provided any modification or extension complies with *FHLBank's Requirements for Electronic Loan Modifications or Requirements for Copies of Loan Modifications*;
4. First lien enforceability (as evidenced by UCC filing or lien on title);
5. Fully Disbursed (closed-end loans only; no revolving lines of credit);
6. Wholly Owned;
7. No loans secured by property to be used for any marijuana-related business;
8. No Lease Loans;
9. No Carryover Debt;
10. Within legal lending limit;
11. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
12. Not classified as non-accrual, substandard, doubtful or loss by the Member or any regulator of the Member (Internal Watchlist may be required to be submitted to FHLBank);
13. No negative amortization or interest-only loans;
14. No IBOR-indexed (including LIBOR®) adjustable interest rate loans with:
    a. Note date after December 31, 2021; or

(continued on next page)

Collateral Type : **V. Other Collateral** *Continued*

2. EQUIPMENT LOANS-ELIGIBLE ONLY TO CFI MEMBERS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	62% (unpaid principal)	62% (market value)	N/A	N/A

Underwriting Requirements *(continued from previous page)*

b. U.S. dollar LIBOR tenors of 1-week or 2-months or all remaining IBOR tenors (overnight, 1-month, 3-month, 6-month and 12-month) that remain IBOR-linked after June 30, 2023, without Effective Fallback Language. Please refer to definition section for effective fallback language;

15. No loans guaranteed under any U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Guaranteed Farm Loan Program;
16. Servicing agreements, if applicable, must be submitted to FHLBank to ensure there are no contractual provisions that would impede FHLBank's ability to (a) receive applicable cash flows from the servicer; or (b) transfer ownership of the underlying loan(s) or servicing rights, if applicable, in the event FHLBank would become party to the agreement due to a Member's event of default;
17. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
18. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).

3. STUDENT LOANS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	81% (guaranteed portion)	81% (guaranteed portion	N/A	N/A

Underwriting Requirements

1. Approval must be obtained from FHLBank prior to pledging;
2. Loans must be originated under the FFELP;
3. Loans must have at least a 97% guarantee under FFELP;
4. Fully Disbursed (no revolving lines of credit);
5. Wholly Owned;
6. Servicer must provide a copy of their annual independent public accountant's examination as required under Section 3.8 of the FFELP Common Manual; and
7. Not pledged in whole or in part to other creditor(s) or in another FHLBank collateral category, nor can the loan share collateral with loan(s) pledged to other creditor(s).