

Schedule of Eligible Collateral

- ▶ If you have any questions about the eligibility of a particular asset, please contact the *Financial Services* 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) are less than \$1.128 billion. The asset cap shall be adjusted annually by the Federal Housing Finance Agency 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.

DEBT SERVICE COVERAGE RATIO (DSCR)

The relationship of the property's annual net operating income to its annual mortgage debt service (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 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; (2) a present value calculation of the future cash flows discounted at the current market rate as determined by the FHLBank for the loan type and remaining term; or (3) the loan value as determined by FHLBank's third party pricing vendor, if valued at the last quarterly

update. If FHLBank cannot calculate a present value of the future cash flows for any reason, lending values may be lowered to accommodate the additional risk.

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.

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).

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 covenants that 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.

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., FICO score below 660) 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 FICO score of less than 620, 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

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. If any portion of the loan is secured by collateral that would **not** make the loan eligible as collateral under this policy, the loan would not be eligible. However, a loan would be eligible as collateral as long as the institution can demonstrate that the loan is Fully Secured **without** considering the collateral that would otherwise make the loan ineligible as collateral. Collateral values for the entire loan will be determined based upon the lending value applied to the lowest asset required to fully secure the loan. Institutions should apply the eligible loan assets with the higher lending values first and continue in descending order until the loan is Fully Secured.

Loans which have been paid off, sold or matured should not be included in eligible collateral.

Members and housing associates should notify the 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.

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
CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
A. Amortizing mortgages	81% (unpaid principal)	81% (market value*)	81% (market value*)	77% (market value*)
B. Interest-only mortgages	75% (unpaid principal)	75% (market value*)	75% (market value*)	65% (market value*)

* 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 one-to-four family dwelling units located in the United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained;
2. Fully Secured:
 - a. Loan-to-value ratio:
 - i) Blanket Pledge Members' (excluding non-depository CDFI Members) loan-to-value ratios cannot exceed 100% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines);
 - ii) Specific Pledge Members', 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 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 position (as evidenced by title insurance policy or title opinion);
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. No Sub-prime Loans;

(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
CONVENTIONAL MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
A. Amortizing mortgages	81% (unpaid principal)	81% (market value*)	81% (market value*)	77% (market value*)
B. Interest-only mortgages	75% (unpaid principal)	75% (market value*)	75% (market value*)	65% (market value*)

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

Underwriting Requirements (continued from previous page)

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;
13. No loans secured by property subject to Private Transfer Fee covenants that were created on or after February 8, 2011;
14. No Lease Loans;
15. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
16. Delinquency:
 - a. Blanket Pledge Members' (non-depository CDFI Members) loans cannot be more than 90 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;
17. No loans that violate FHLBank's Anti-Predatory Lending Policy;
18. Loans originated or acquired after July 10, 2007, must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
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 allows for interest-only payments, FICO scores must be equal to or exceed 680;
21. 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;
22. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
23. 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
FHA-INSURED MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
A. Not more than 90 days delinquent	94% (unpaid principal)	94% (market value*)	94% (market value*)	93% (market value*)
B. More than 90 days delinquent	90% (guaranteed portion)	90% (guaranteed portion*)	90% (guaranteed portion*)	89% (guaranteed portion*)
VA-GUARANTEED MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY				
A. Not more than 90 days delinquent	91% (unpaid principal)	91% (market value*)	91% (market value*)	91% (market value*)
B. More than 90 days delinquent	87% (guaranteed portion)	87% (guaranteed portion*)	87% (guaranteed portion*)	87% (guaranteed portion*)

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

Underwriting Requirements

- Loans must comply with the Agency's underwriting guidelines;
- Wholly Owned;
- No held-for-sale mortgage loans;
- No reverse mortgage loans;
- No residential land development loans (including vacant land);
- No construction or rehabilitation loans;
- 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;
- No Lease Loans;
- Loans on property subject to a leasehold must be on a Qualifying Leasehold;
- No loans that violate FHLBank's Anti-Predatory Lending Policy;
- 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);
- No negative amortization;
- 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;
- 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				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
A. HFS SF mortgages eligible to be sold to FNMA, FHLMC or GNMA	93% (unpaid principal)	93% (unpaid principal)	93% (market value)	92% (market value)

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 Property Assessed Clean Energy (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;

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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
HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
A. HFS SF mortgages eligible to be sold to FNMA, FHLMC or GNMA	93% (unpaid principal)	93% (unpaid principal)	93% (market value)	92% (market value)

► *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 HFS SF mortgages eligible to be sold to FNMA, FHLMC or GNMA must also comply with the following:

- 17. Loans must comply with FNMA, FHLMC or GNMA's 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).

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
HELD-FOR-SALE MORTGAGES ON ONE-TO-FOUR FAMILY RESIDENTIAL REAL PROPERTY (HFS SF)				
B. HFS SF mortgages NOT eligible to be sold to FNMA, FHLMC or GNMA	81% (unpaid principal)	81% (unpaid principal*)	N/A	N/A

* 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 85-86), 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 United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original documents must be retained;
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 position (as evidenced by title commitment, title insurance policy or title opinion);
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 that were created on or after February 8, 2011;
8. Loans originated or acquired after July 10, 2007 must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending; and
9. Loan-to-value ratios cannot exceed 100 percent (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines).

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
	77% (unpaid principal)	77% (market value*)	77% (market value*)	74% (market value*)

* Maximum lending value on individual loan is limited to \$75 million.

Underwriting Requirements

1. Loans must be secured by real estate:
 - a. Loans must be secured by multifamily dwelling units located in the United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have “wet” signatures from all borrowers and the original document must be retained;
2. 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 or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines);
 - 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% (appraiser must have Member of the Appraisal Institute Professional (MAI) professional designation);
 - 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);
 - 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.
3. First lien position (as evidenced by title insurance policy or title opinion);
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 residential land development loans (including vacant land);
8. No construction or rehabilitation loans;
9. 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;

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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
	77% (unpaid principal)	77% (market value*)	77% (market value*)	74% (market value*)

* Maximum lending value on individual loan is limited to \$75 million.

3. GUARANTEED PORTION OF OTHER LOANS BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	92% (guaranteed portion)	92% (guaranteed portion*)	92% (guaranteed portion*)	92% (guaranteed portion*)

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

Underwriting Requirements *(continued from previous page)*

10. No loans secured by property subject to Private Transfer Fee covenants that were created on or after February 8, 2011;
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 negative amortization or interest-only loans;
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).

Underwriting Requirements

The guarantee must be for the direct benefit of the holder of the loan. Loan programs currently accepted include:

1. Farm Service Agency (FSA) loans – Assignment of guarantees (Form FSA-2242) must be completed and delivered to FHLBank, along with a copy of the note and loan guarantee.
2. Small Business Administration (SBA) Certificates - SBA Certificates must be delivered to FHLBank.

Collateral Type : **II. Securities**

- No interest or principal only securities.
- Prices must be readily available through the FHLBank’s pricing vendors.
- 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.

1. AGENCY RESIDENTIAL MORTGAGE PASS-THROUGH SECURITIES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	97% (market value)	97% (market value)	95% (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.

2. AGENCY CMOs				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	97% (market value)	97% (market value)	92% (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. This includes REMICs but excludes inverse floaters, residual, support, subordinated, junior, mezzanine, structured, complex and Z tranches; and
3. Securities’ underlying loan collateral cannot violate FHLBank’s Anti-Predatory Lending Policy.

Collateral Type : II. Securities

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	95% (market value)	95% (market value)	93% (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*)	73-93% (market value*)

* Lending value dependent upon underlying collateral and security structure.

5. FIXED RATE U.S. T-BILLS, 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)	97% (market value)
B. Final maturity greater than one year but not greater than five years	N/A	98% (market value)	98% (market value)	95% (market value)
C. Final maturity greater than five years	N/A	95% (market value)	95% (market value)	91% (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 or multifamily residential real property or collateral identified under Category IV (including inverse floaters, support, subordinated, junior, mezzanine, structured, complex and Z tranches); and
3. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy.

Collateral Type : II. Securities *Continued*

6. FLOATING RATE U.S. 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)	97% (market value)
B. Reprices less often than annually	N/A	99% (market value)	99% (market value)	97% (market value)

7. FIXED RATE AGENCY DISCOUNT NOTES, MEDIUM-TERM 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	97% (market value)	97% (market value)	94% (market value)
C. Final maturity greater than five years	N/A	95% (market value)	95% (market value)	89% (market value)

8. 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	98% (market value)	98% (market value)	96% (market value)

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

9. FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR NATIONAL CREDIT UNION ADMINISTRATION (NCUA) GUARANTEED NOTES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	95% (market value)	95% (market value)	89% (market value)

Underwriting Requirements

1. Must be backed by the full faith and credit of the United States Government.

10. PRIVATE ISSUE CMOs				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
A. Securities rated AAA				
Cash flows derived from mortgages excluding Subprime, Interest Only, Negative Amortization and Alt-A	N/A	93% (market value)	93% (market value)	83% (market value)
Cash flows derived from mortgages including Subprime, Interest Only, Negative Amortization and Alt-A	N/A	89% (market value)	89% (market value)	71% (market value)
B. Securities rated AA				
Cash flows derived from mortgages excluding Subprime, Interest Only, Negative Amortization and Alt-A	N/A	91% (market value)	91% (market value)	81% (market value)
Cash flows derived from mortgages including Subprime, Interest Only, Negative Amortization and Alt-A	N/A	84% (market value)	84% (market value)	66% (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. This includes REMICs but excludes residual, support, subordinated, junior, inverse floaters, mezzanine, structured, complex or Z tranches;
2. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
3. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy; and
4. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending if issued or acquired after July 10, 2007.

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

11. 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				
Cash flows derived from mortgages excluding Subprime, Interest Only, Negative Amortization and Alt-A	N/A	93% (market value)	93% (market value)	83% (market value)
Cash flows derived from mortgages including Subprime, Interest Only, Negative Amortization and Alt-A	N/A	89% (market value)	89% (market value)	71% (market value)
B. Securities rated AA				
Cash flows derived from mortgages excluding Subprime, Interest Only, Negative Amortization and Alt-A	N/A	91% (market value)	91% (market value)	81% (market value)
Cash flows derived from mortgages including Subprime, Interest Only, Negative Amortization and Alt-A	N/A	84% (market value)	84% (market value)	66% (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 that were created on or after Feb. 8, 2011;
3. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy; and
4. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending if issued or acquired after July 10, 2007.

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

12. OTHER PRIVATE ISSUE CMOs				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	Case-by-Case	Case-by-Case	Case-by-Case

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 collateral identified under Category IV (including support, inverse floaters and mezzanine tranches);
3. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
4. Securities' underlying loan collateral cannot violate FHLBank's Anti-Predatory Lending Policy; and
5. Securities' underlying loan collateral must comply with the Interagency Guidance on Nontraditional Mortgage Products Risk, and Addendum to Credit Risk Management Guidance for Home Equity Lending if issued or acquired after July 10, 2007.

13. COMMERCIAL MORTGAGE BACKED SECURITIES 100% DEFEASED				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	93% (market value)	93% (market value)	87% (market value)

Underwriting Requirements

1. Securities must be rated at least equivalent to the U.S. Government;
2. Securities' underlying cash flows have been defeased by U.S. Treasury or Agency securities; and
3. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011.

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

14. 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	88% (market value*)	88% (market value*)	81% (market value*)
B. Securities rated AA	N/A	79% (market value*)	79% (market value*)	60% (market value*)

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

15. 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	83% (market value*)	83% (market value)	76% (market value*)
B. Securities rated AA	N/A	79% (market value*)	79% (market value*)	60% (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 multifamily residential real property or collateral identified under Category IV. This excludes residual, support, subordinated, junior, inverse floaters, mezzanine, structured, complex or Z tranches; and
3. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011.

Underwriting Requirements

1. Securities must be rated AA or better;
2. Securities' underlying cash flows must be derived from mortgages on multifamily residential real property or collateral identified under Category IV (including support, inverse floaters and mezzanine tranches within a non-subordinated class); and
3. Securities' underlying loan collateral cannot be secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011.

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

16. 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	97% (market value)	97% (market value)	94% (market value)
C. Final maturity greater than five years	N/A	95% (market value)	95% (market value)	89% (market value)

17. STUDENT LOAN ASSET BACKED SECURITIES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	97% (market value)	97% (market value)	88% (market value)

► *Underwriting Requirements*

1. Securities must be rated AAA 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*

18. STATE AND LOCAL GOVERNMENT SECURITIES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	N/A	Case-by-Case	Case-by-Case	Case-by-Case

▶ *Underwriting Requirements*

1. Securities must be rated AA or better;
2. Prospectus must provide a detailed breakdown on the amount of bond proceeds used for real estate related purposes; and
3. The amount eligible will be limited to the proportion of bond proceeds used for real estate related purposes.

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

▶ *Underwriting Requirements*

1. Must be backed entirely by eligible loan or securities collateral, cash or cash equivalents.

Collateral Type : **III. Deposits**

FHLBANK OVERNIGHT DEPOSITS AND CDs				
	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 25% of an institution's total assets. Category IV and V collateral is NOT considered restricted collateral for institutions pledging collateral via the Delivered (Limited) Lending Value or Delivered (Expanded) Lending Value Reporting templates. Blanket Pledge Members must exhaust all other eligible loan collateral before pledging Category IV or V collateral even when delivering loan collateral to FHLBank.

1. AGRICULTURAL REAL ESTATE				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	65% (unpaid principal)	65% (unpaid principal*)	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 United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained;
2. Fully Secured:
 - a. Loan-to-value ratios cannot exceed 100% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 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;
 - 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 position (as evidenced by title insurance policy or title opinion);
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 Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
9. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
10. No loans secured by property to be used for any marijuana-related business;
11. No Lease Loans;
12. No leasehold estates;
13. Within legal lending limit;
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);

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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
	65% (unpaid principal)	65% (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
	65% (unpaid principal)	65% (market value*)	65% (market value*)	64% (market value*)

* Maximum lending value on individual loan is limited to \$75 million.

Underwriting Requirements (continued from previous page)

16. 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;
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. Loans must be secured by real estate;
 - a. Loans must be secured by commercial property located in the United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained.
2. 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 or qualify for exemptions identified in the Interagency Appraisal and Evaluation Guidelines);
 - 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% (appraiser must have MAI designation);
 - 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);
 - 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;

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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
	65% (unpaid principal)	65% (market value*)	65% (market value*)	64% (market value*)

* Maximum lending value on individual loan is limited to \$75 million.

► *Underwriting Requirements (continued from previous page)*

3. First lien position (as evidenced by title insurance policy or title opinion);
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 commercial land development loans (including vacant land);
8. No construction or rehabilitation loans;
9. 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;
10. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
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;
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 negative amortization or interest only loans;
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).

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
	68% (unpaid principal)	68% (market value*)	N/A	N/A

* 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 United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained.
2. Fully Secured:
 - a. Aggregate loan-to-value ratio of the first and second lien cannot exceed 100% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 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. Fully Disbursed (closed-end loans only, no revolving lines of credit);
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 Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
8. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
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, 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);

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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
	68% (unpaid principal)	68% (market value*)	N/A	N/A

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

4. HOME EQUITY LINES OF CREDIT (HELOCs)				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	68% (unpaid principal)	68% (market value*)	N/A	N/A

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

► **Underwriting Requirements** (continued from previous page)

15. No negative amortization loans;
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).

► **Underwriting Requirements**

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 United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained.
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 must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 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. Wholly Owned;
4. Term to maturity cannot exceed 360 months;
5. No Sub-prime 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
	68% (unpaid principal)	68% (market value*)	N/A	N/A

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

► ***Underwriting Requirements*** (continued from previous page)

6. 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;
7. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
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. Loans originated or acquired after July 10, 2007 must comply with the Inter-agency Guidance on Nontraditional Mortgage Products Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending;
12. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
13. 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);
14. No negative amortization loans;
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 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

5. RESIDENTIAL CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	66% (unpaid principal)	66% (market value*)	N/A	N/A

* 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 construction of one-to-four family dwelling units located in the United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained.
2. Fully Secured:
 - a. Loan-to-value ratios cannot exceed 100% (appraisals must be prepared by licensed or certified appraiser for loans with an original amount greater than \$250,000 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 position (as evidenced by title insurance commitment/policy or title opinion);
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;
8. 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;
9. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
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;

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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
	66% (unpaid principal)	66% (market value*)	N/A	N/A

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

▶ ***Underwriting Requirements*** (continued from previous page)

13. Loans originated or acquired after July 10, 2007, must comply with the Inter-agency Guidance on Nontraditional Mortgage Products Risks, 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. If note structure allows for negative amortization or interest-only payments, annual credit reviews 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 credit reviews are not required, and there are no term limitations;
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).

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
	55% (unpaid principal)	55% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to \$75 million.

Underwriting Requirements

1. Loans must be secured by real estate:
 - a. Loans must be secured by construction of multifamily dwelling units located in the United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained;
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 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 position (as evidenced by title insurance commitment/policy or title opinion);
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 Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
7. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
8. No Lease Loans;
9. Loans on property subject to a leasehold must be on a Qualifying Leasehold;
10. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
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);

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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
	55% (unpaid principal)	55% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to \$75 million.

7. COMMERCIAL CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	55% (unpaid principal)	55% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to \$75 million.

Underwriting Requirements *(continued from previous page)*

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;
13. 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;
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 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 United States; and
 - b. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have "wet" signatures from all borrowers and the original document must be retained;
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 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 position (as evidenced by title insurance commitment/policy or title opinion);

(continued on next page)

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

Continued

7. COMMERCIAL CONSTRUCTION MORTGAGES				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	55% (unpaid principal)	55% (market value*)	N/A	N/A

* Maximum lending value on individual loan is limited to \$75 million.

► **Underwriting Requirements** *(continued from previous page)*

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 Property Assessed Clean Energy (PACE) programs that takes priority over the first mortgage;
7. No loans secured by property subject to Private Transfer Fee covenants that were created on or after Feb. 8, 2011;
8. No loans secured by property to be used for any marijuana-related business;
9. 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;
10. No Lease Loans;
11. No leasehold estates;
12. Not more than 60 days delinquent (delinquency reports may be required to be submitted to FHLBank);
13. 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);
14. 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;
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 25% of an institution’s total assets. Category IV and V collateral is NOT considered restricted collateral for institutions pledging collateral via the Delivered (Limited) Lending Value or Delivered (Expanded) Lending Value Reporting templates. Blanket Pledge members must exhaust all other eligible loan collateral before pledging Category IV or V collateral even when delivering loan collateral to FHLBank.

1. OPERATING LOANS (CROPS AND LIVESTOCK) ELIGIBLE ONLY TO CFI MEMBERS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	58% (unpaid principal)	58% (market value)	N/A	N/A

Underwriting Requirements

1. Loans must be Fully Secured:
 - a. Loans must be secured by crops and/or livestock located in the United States; and
 - b. The note (including extensions, modification, assumption, endorsements, and/or renewals) must have “wet” signatures from all borrowers and the original document must be retained;
2. First lien position (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 to FHLBank);
9. 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;
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);
11. Amortization:
 - a. If note structure allows for negative amortization or interest-only payments, annual financial statements are required, and the term is limited to 15 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;
12. Not originated to or assumed by any officer, director, attorney, employee or agent of the Member or FHLBank; and
13. 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: **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
	51% (unpaid principal)	51% (market value)	N/A	N/A

▶ **Underwriting Requirements**

1. Loans must be Fully Secured;
2. Loans must be secured by equipment located in the United States; and
3. The note (including extensions, modifications, assumptions, endorsements, and/or renewals) must have “wet” signatures from all borrowers and the original document must be retained;
4. First lien position (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. 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 : **V. Other Collateral** *Continued*

3. STUDENT LOANS				
	BLANKET (QCD) LENDING VALUE	DELIVERED (LIMITED) LENDING VALUE	DELIVERED (EXPANDED) LENDING VALUE	
			CLASS A	CLASS B
	82% (guaranteed portion)	82% (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 Federal Family Education Loan Program (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).