

Use this questionnaire to identify the unpaid principal balance of any real estate loans and participations on your institution's balance sheet that are not eligible to receive borrowing capacity. The Bank will calculate a percentage that represents the ratio of the aggregate unpaid principal balance of these ineligible loans to the aggregate unpaid principal balance of your institution's total real estate loan portfolio. The Bank will use this percentage to adjust your borrowing capacity when we update your institution's collateral information.

Please see Page 2 for authorization. Refer to the attached instructions for details on completing this questionnaire.

Regulatory Report Data as of Quarter Ending: _____	Unpaid Principal Balance			
Ineligible Real Estate Loans and Participations	Residential First Liens	Multifamily	Commercial Real Estate	Residential Second Liens & HELOCs
1. Loans and participations delinquent over 60 days				
2. Classified or substandard loans and participations				
3. Loans and participations with a borrower in bankruptcy				
4. Loans and participations with litigation pending				
5. Loans and participations secured by:				
• Environmentally impaired property				
• Management-intensive facilities				
• Single-purpose properties				
• Timeshare properties				
• Condemned or uninhabitable property				
• Mobile homes				
• Leasehold estate on multifamily or commercial real estate				
6. Loans and participations held for sale				
7. Junior liens or lines of credit on multifamily or commercial real estate loans and participations				
8. Loans and participations to a director or employee of your institution				
9. Joint venture loans and participations				
10. SBA or USDA or FSA guaranteed loans and participations				
11. Business loans and participations secured by real estate and reported as real estate loans				
12. Small business, farm, or agribusiness loans and participations (except for approved CFIs)				
13. Loans-to-facilitate (REO liquidation) and participations				
14. High-cost, nontraditional, and subprime loans				
15. Loans and participations pledged to others				
16. Loans and participations held in the name of member's subsidiary				
17. Ineligible participations				
18. Construction loans				
19. Unseasoned builder/developer loans				
20. Loans with partial reconveyance of property				

(Continued on next page)

<b>Ineligible Real Estate Loans and Participations</b>	<b>Residential First Liens</b>	<b>Multifamily</b>	<b>Commercial Real Estate</b>	<b>Residential Second Liens &amp; HELOCs</b>
21. All-inclusive or wrap-around trust deeds				
22. OFAC loans				
23. MERS loans without ETA				
24. Interest-only loans > 15 years				
25. Negatively amortizing loans				
26. Other				
<b>Total Ineligible Real Estate Loans and Participations</b>				
<b>Total Real Estate Loans and Participations</b>				

The Member hereby certifies that it is aware of, and will comply with the Bank's Anti-Predatory Lending Policy (as amended from time to time) at all times and represents and warrants that this certification is and will be true and correct as of the date hereof and as of each date on which any Eligible Collateral (as defined in the Advances and Security Agreement between the Member and the Bank) is pledged to the Bank.

The Member hereby certifies that all residential mortgage loans pledged to the Bank that were originated or acquired by the Member after July 10, 2007, comply at all times with the Interagency Guidance on Nontraditional Mortgage Product Risks dated October 4, 2006, and the Statement on Subprime Mortgage Lending dated July 10, 2007. The Member represents and warrants that this certification is and will be true and correct as of the date hereof and as of each date on which any Eligible Collateral is pledged to the Bank.

On behalf of the Member, I/we certify that the information provided above is correct and complete in all material respects as of the date of this questionnaire.

Member Name		Date
Authorized Signature**	Name of Authorized Person	
Telephone Number	Email Address	
Authorized Signature**	Name of Authorized Person	
Telephone Number	Email Address	

\*\* Note: This form must be signed in accordance with the Member's authorizations on file with the Bank.

**Mail or fax this form to:**

Federal Home Loan Bank of San Francisco  
Attention: Collateral Services  
600 California Street, Suite 300  
San Francisco, CA 94108  
Fax: (415) 616-2689

## Instructions on Completing the Blanket Lien Eligibility Questionnaire

Each quarter the Bank collects loan data from members' regulatory financial reports (CALL or TFR) to calculate borrowing capacity. The regulatory data, however, may include mortgages that are ineligible pursuant to the Bank's guidelines. The purpose of this questionnaire is to identify those ineligible mortgages. It is important that you refer to your most recent CALL or TFR as a source to complete this questionnaire. You should only identify ineligible loans in Schedule RCC **Line 1C through 1E** (CALL report) or Schedule SC **Permanent Mortgages** Section (TFR report). Inclusion of any other line items will overstate your ineligible mortgages. For delinquency reporting, refer to Schedule RCN (CALL report) or Schedule PD (TFR report).

*Please call (415) 616-2878 and ask for the Collateral Services Department if you need assistance with this Questionnaire.*

1. **Loans and participations delinquent over 60 days** – Loans that are **currently** delinquent more than 60 days. To avoid overstatement of ineligible loans, identify only loans that are **not reported** in your most recent CALL or TFR. An example would be loans that become delinquent subsequent to your most recent regulatory report date.
2. **Classified or substandard loans and participations** – To avoid overstatement of ineligible loans, identify only classified/substandard loans that are **not reported** in your most recent CALL or TFR. Also included in this category are (a) residential loans with more than five 30-day late payments within the last 12-month period, and (b) multifamily and commercial with more than three 30-day late payments within the last 12-month period.
3. **Loans and participations with a borrower in bankruptcy** – Only for borrowers who are currently in bankruptcy. Previous bankruptcies that have been discharged are eligible.
4. **Loans and participations with litigation pending** – Not eligible when the outcome of the litigation is uncertain or can't be quantified.
5. **Loans and participations secured by:**
  - *Environmentally impaired property* – e.g., gas stations, auto-repair facilities, on-site dry cleaners, or when Phase II is not obtained as recommended in Phase I report
  - *Management-intensive facilities* – e.g., hospitals, golf courses
  - *Single-purpose properties* – e.g., churches, bowling alleys, theaters
  - *Timeshare properties* – e.g., vacation timeshare properties
  - *Condemned or uninhabitable property* – e.g., substandard properties in extremely poor condition
  - *Mobile homes* – Mobile homes that are **not** permanently affixed to a foundation are ineligible. Mobile home parks are eligible.
  - *Leasehold estate on multifamily or commercial real estate* – Multifamily or commercial real estate properties on ground leases where the ground lease is not subordinated to the lender's lien or when a tri-party agreement has not been executed. Refer to the Collateral Guide for more eligibility guidelines for leasehold properties.
6. **Loans and participations held for sale** – Any residential first, multifamily, commercial real estate, or residential second/HELOC loans that are to be sold are ineligible. The information is reported in Schedule RC line 4A (CALL Report) and Schedule SI – Miscellaneous/Assets Held for Sale (TFR Report). Please identify and segregate by loan type any real estate loans held for sale that have been **included** in your Schedule RCC Line 1C through 1E (CALL report) or Schedule SC Permanent Mortgages Section (TFR report).
7. **Junior liens or lines of credit on multifamily or commercial real estate loans and participations** – First lien position is required for multifamily and commercial real estate loans. In addition, any home equity loan, revolving line of credit, or second mortgage on residential property must be in first or second position. Lines of credit on multifamily or commercial loans are ineligible.
8. **Loans to a director or employee of your institution** – Only loans to *existing* directors or employees are ineligible. Loans to a director or employee of the FHLB are also ineligible.
9. **Joint venture loans and participations** – Loans where the member has an equity investment/participation or expectation of cash flow (non-arms length transactions) are ineligible.
10. **SBA or USDA or FSA guaranteed loans and participations** – All SBA, USDA, and FSA guaranteed loans are ineligible except for SBA 504 loans.
11. **Business loans and participations secured by real estate and reported as real estate loans** – Business loans must be term loans to be eligible; all business lines of credit are ineligible. In addition, the real estate collateral must collateralize 100%

of the loan amount and must be in senior lien position. All other business loans with non-real estate collateral can only be pledged under the Bank's CFI program.

12. **Small business, farm, or agribusiness loans and participations** – Business loans collateralized by non-real estate assets and farm or agribusiness loans are ineligible and can only be pledged under the Bank's CFI program.
13. **Loans-to-facilitate (REO liquidation) and participations** – Loans to facilitate liquidation or restructuring are ineligible.
14. **High-cost, nontraditional, and subprime loans** – High-cost loans include loans with interest rate, points, or fees exceeding HOEPA limits, loans that require credit life insurance, or loans that contain mandatory arbitration. For details refer to the Bank's Anti-Predatory Lending Policy. Nontraditional or subprime mortgages are ineligible unless they are underwritten in compliance with the Interagency Guidance on Nontraditional Mortgage Products Risks (October 2006) and the Statement on Subprime Mortgage Lending (July 2007).
15. **Loans and participations pledged to others** – Loans are ineligible if member has granted a lien to another party (e.g., Federal Reserve Bank) other than the Bank.
16. **Loans and participations held in the name of member's subsidiary** – Only loans owned by the member may be pledged to the Bank unless the Bank has approved a pledge of subsidiary collateral, all agreements have been executed, and all requirements have been met. To pledge subsidiary-owned collateral, refer to the Bank's Collateral Guide: Collateral Pledged by a Subsidiary or Affiliate.
17. **Ineligible participations** – For retained participations, written consent to pledge must be obtained from all participants if required by the participation agreement. If the lead lender retains the servicing/custody of the original notes, an acknowledgement (legal document provided by the Bank) must be executed by the Bank, the member, and the lead lender. Freddie Mac-owned participated loans are ineligible.
18. **Construction loans** – To avoid overstatement of ineligible loans, it is important **not** to include any constructions loans reported in Schedule RCC **1A** (CALL Report) or Schedule SC **Constructions Loans Section** (TFR Report). The purpose of this line item is to identify only land or construction loans that may have been included in Schedule RCC 1C through 1E (CALL Report) or Schedule SC Permanent Mortgages Section (TFR report). In addition, loans to facilitate extensive rehabilitation with longer than one year terms and interest-only features are considered construction loans.
19. **Unseasoned builder/developer loans** – Any unseasoned builder/developer loans for 1-4 unit residential improvements are ineligible.
20. **Loans with partial reconveyance of property** – To avoid possible under-collateralization, loans with partial reconveyances are ineligible.
21. **All-inclusive or wrap-around trust deeds** – A refinance with the creation of a new trust deed that includes the balance due on the existing note plus the new funds advanced is not eligible.
22. **OFAC loans** – Loans to persons who commit, threaten to commit, or support terrorism are ineligible. The Bank requires all collateral to fully comply with OFAC laws and regulations.
23. **MERS loans without ETA** – To be eligible, a member with loans registered with Mortgage Electronics Registration System (MERS) must execute an Electronic Tracking Agreement (ETA) and must enter the Bank's name in the "Associate Member" field online in MERS.
24. **Interest-only Loans > 15 years** – Loans where the interest-only term exceeds 15 years are not eligible.
25. **Negatively amortizing loans** – Loans where the unpaid principal balance exceeds 100% of the original loan amount or has the potential to exceed 100% of the loan amount are ineligible.