MEMBER GUIDE:

LETTERS OF CREDIT CUSTODIAL PLEDGING & MODIFICATION

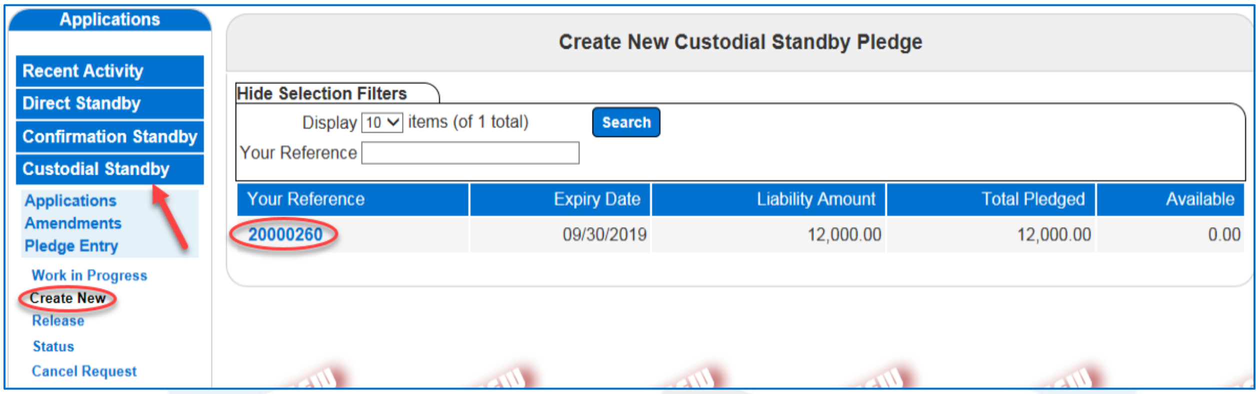
The following will provide instruction on how to create a new Custodial Pledge Entry on SecureConnect. For any questions regarding the steps provided in this guide, please contact Member Services at **844.FHL.BANK** (844.345.2265) or Member.Services@fhlb.com.

CUSTODIAL PLEDGE ENTRY

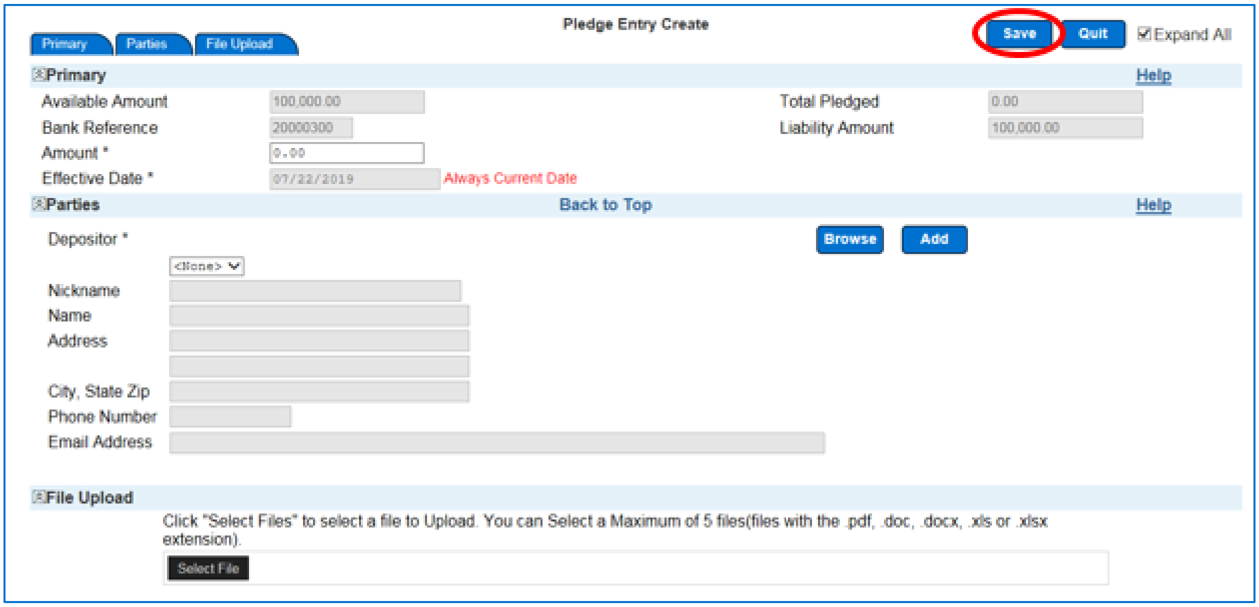
Create a Pledge Entry for a new depositor or an existing depositor not currently pledged to a specific custodial letter of credit.

***Please note**: You cannot amend and pledge a LOC on the same day as maturity. You must amend an expiring LOC at least one day prior to the maturity date.*

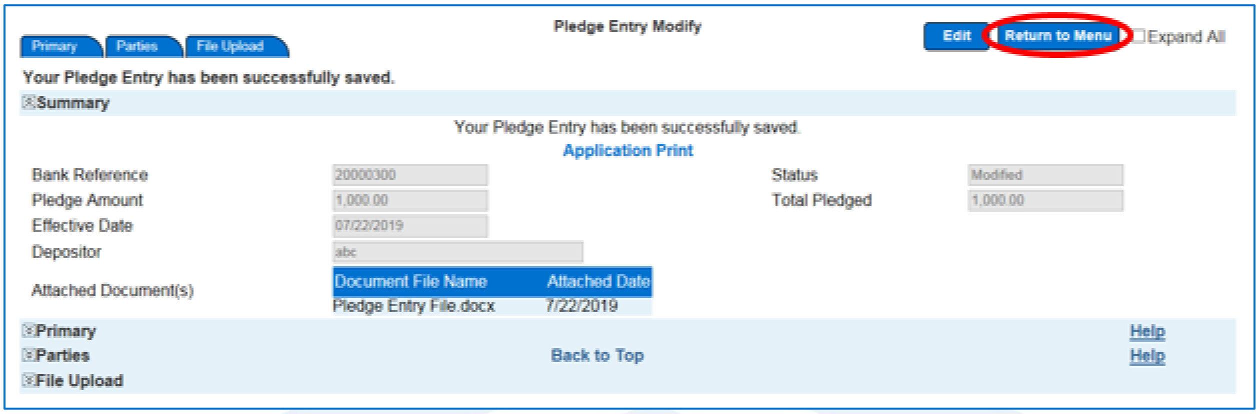
A. Create a Custodial Pledge Entry
   1. **Login** in SecureConnect
   2. *SecureConnect Home* screen displays
   3. Select Letter of Credit → Custodial Standby → Pledge Entry
      a. Click **Create New**
      b. **Select** existing Custodial LOC to be pledged



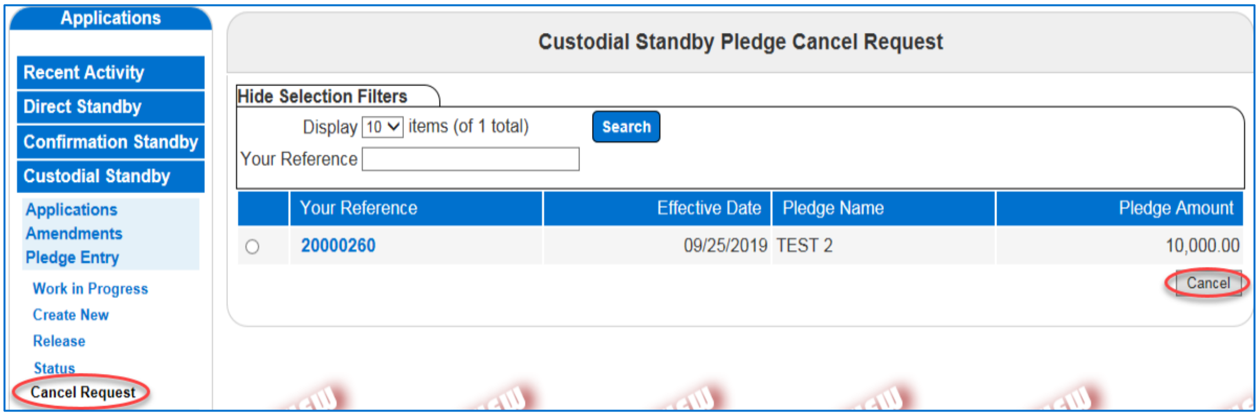
         i. Enter **Amount** to be pledged
         ii. Browse or add **Depositor** information
         iii. Click **Select File** to upload supporting documents
            1. You are required to upload an *Agreement to Secure Public Unit Deposits (Exhibit 1)*
            2. Click **Upload**
      c. Click **Save**



Click **Return to Menu**

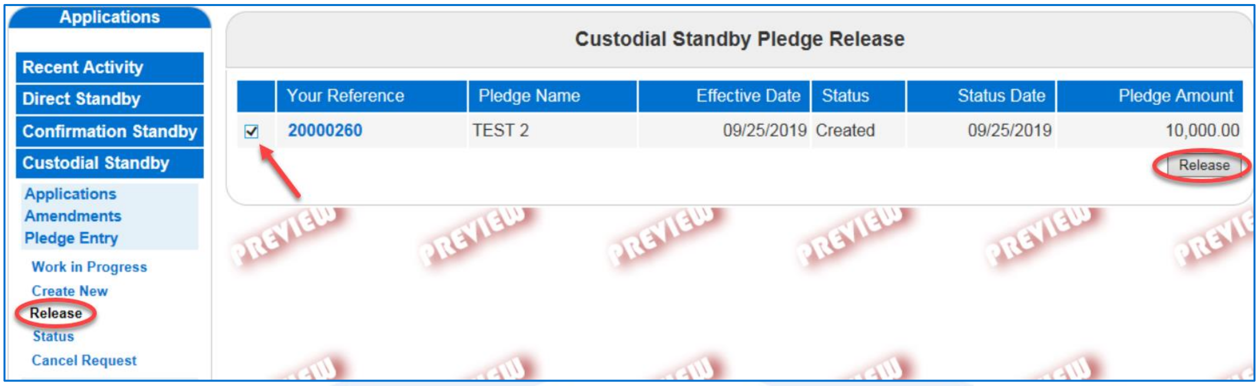


4. To Cancel a Pledge Entry (that has not been released), Select **Cancel** tab
    a. **Select** checkbox
    b. Click **Cancel** on bottom right corner



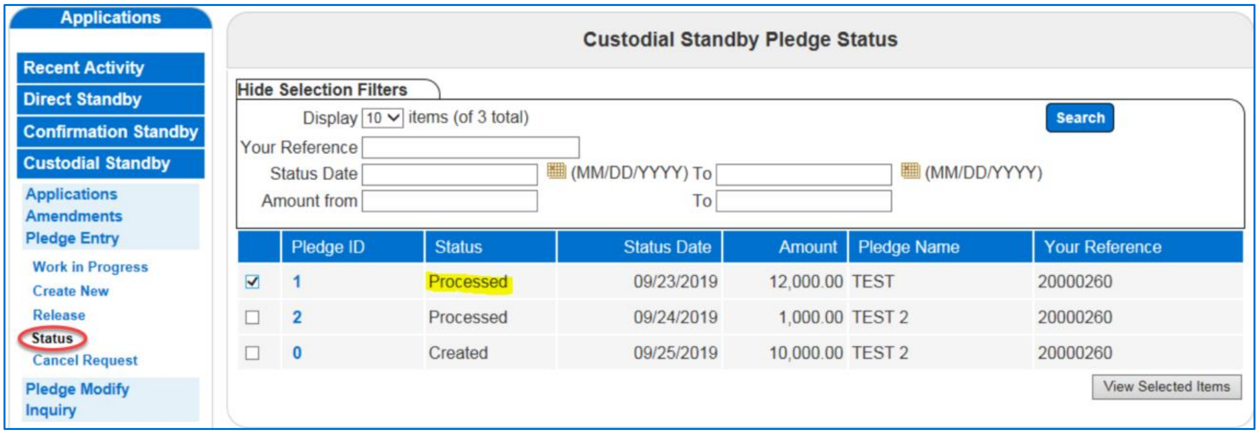
***The Cancel option on SecureConnect is only for transactions that have not been released to FHLB Dallas. To cancel a transaction that has been released, please contact Member Services at 844.FHLBANK.*

5. To Submit a Pledge Entry, Select **Release** tab
    a. **Select** checkbox
    b. Click **Release** on bottom right corner (by clicking **Release**, you are sending the transaction to FHLB Dallas)



***Transactions will not be sent to FHLB Dallas until they are released from SecureConnect. Once the transaction is released, Member Services will process the request. If sent transaction needs to be edited, please contact Member Services at 844.FHLBANK.*

6. To see the status of your Pledge Entry, Select **Status** tab



i. Your transaction will be in one of the following statuses:

a. Created – Transaction was created and saved with all required fields completed

b. Modified – Transaction was created/rejected and then repaired and saved with all fields completed

c. Incomplete – Transaction was created but when saved, all required fields were not completed

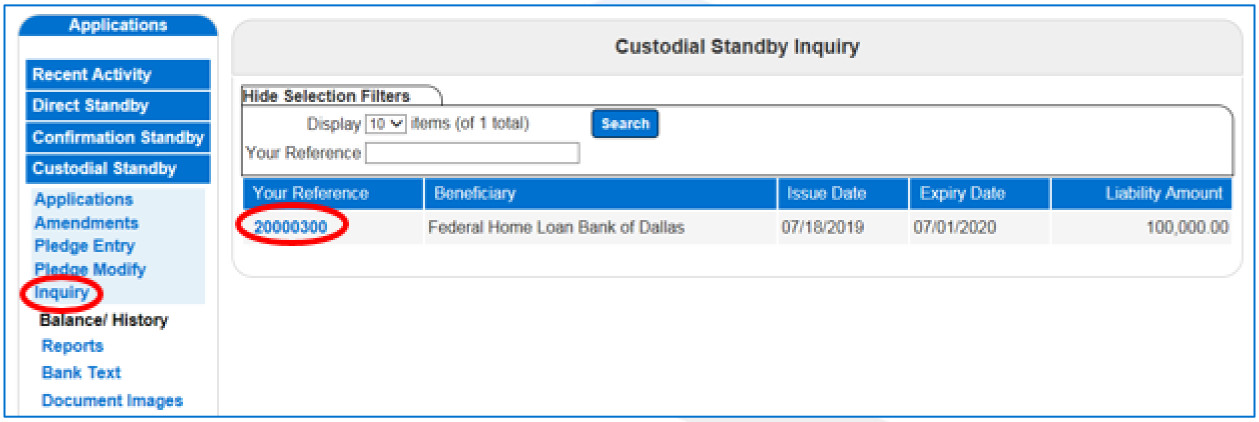
d. Arrived – Transaction was released to Member Services

e. Rejected – Transaction was released but Member Services sent back to the member

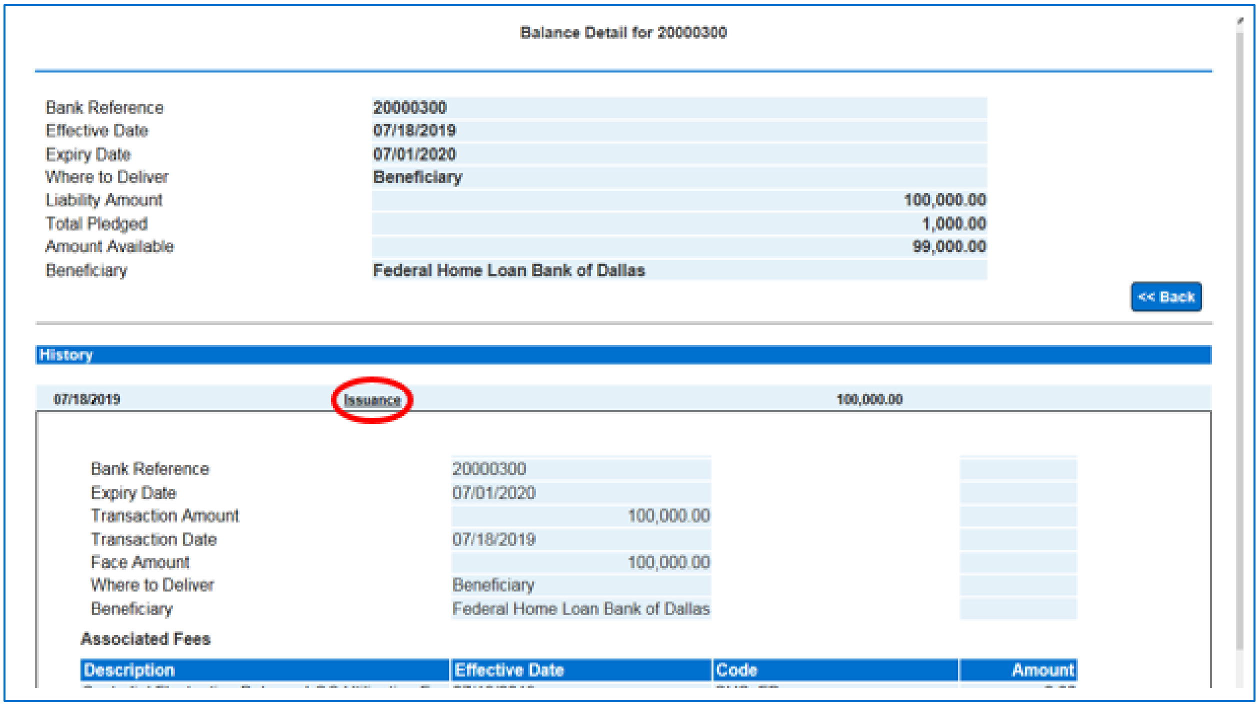
f. Processed – Transaction has been approved

7. After releasing, select **Inquiry** tab → **Balance/ Inquiry** to view your submission

 a. **Select** LOC



b. Click **Issuance** to view details, fees, and documents



The following will provide instruction on how to create a new Custodial Pledge modification on SecureConnect. For any questions regarding the steps provided in this guide, please contact Member Services at **844.FHL.BANK** (844.345.2265) or Member.Services@fhlb.com.

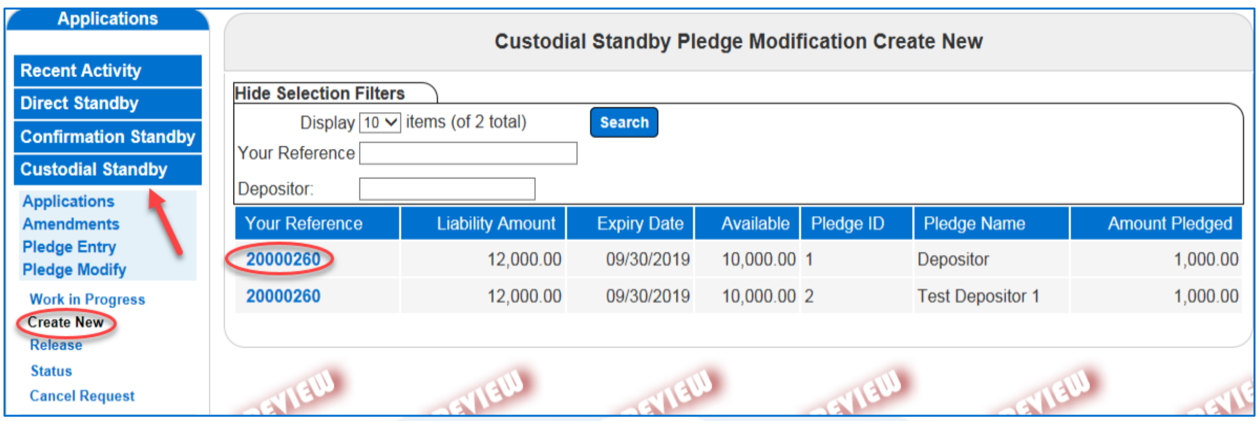
CUSTODIAL PLEDGE MODIFY

Create a Custodial Pledge modification for an existing depositor on a specific letter of credit

Please note: *You cannot amend and pledge a LOC on the same day as maturity. You must amend an expiring LOC at least one day prior to the maturity date.*

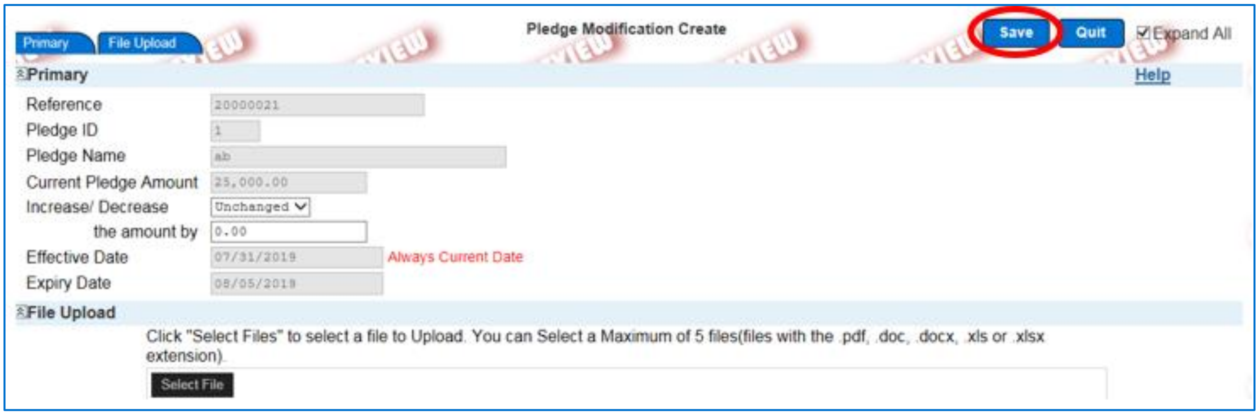
B. Modify a Custodial Pledge

1. **Login** in SecureConnect
2. *SecureConnect home* screen displays
3. Select Letter of Credit → Custodial Standby → Pledge Modify
    a. Click **Create New**
    b. **Select** Pledge to be modified

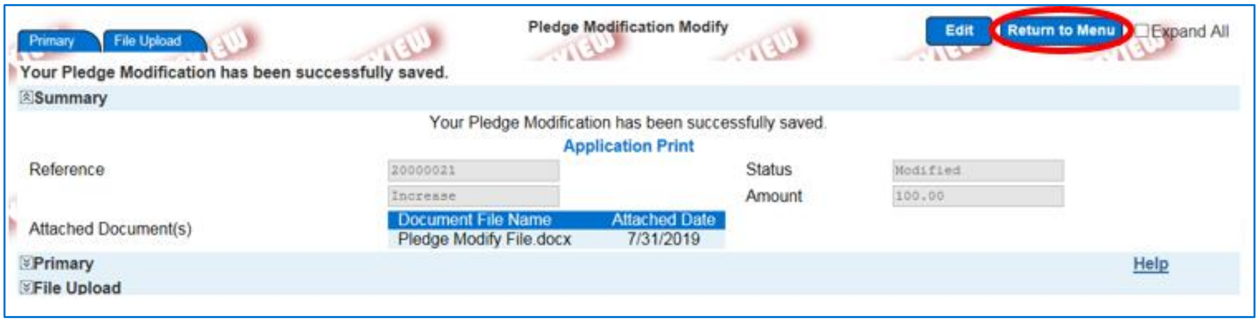


4. Blank *Pledge Modification Create* screen displays
    i. Choose **Unchanged, Increase, Decrease,** or **Release**
    ii. Enter **Amount** to be increased/decreased (leave blank if unchanged or released)
    iii. Click **Select File** to upload supporting document(s)
        a. If you choose to *Increase* your pledge entry, you are required to upload an *Agreement to Secure Public Unit Deposit Form (Exhibit 1)*
        b. If you choose to *decrease* or *release* your pledge entry, you are required to upload a *Decreased Allocated Letter of Credit Amount and Acknowledgement Form (Exhibit 2)*
        c. Click **Upload**

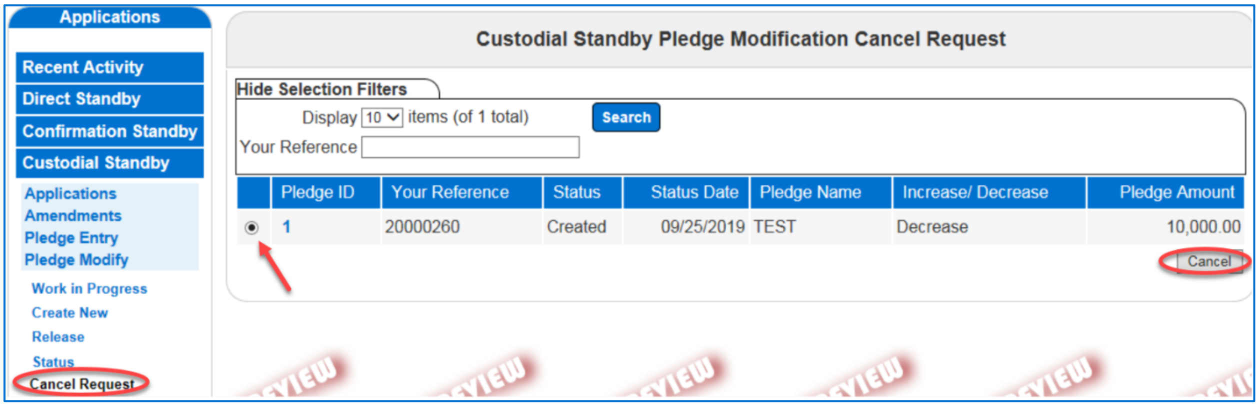
iv. Click **Save**



Click **Return to Menu**

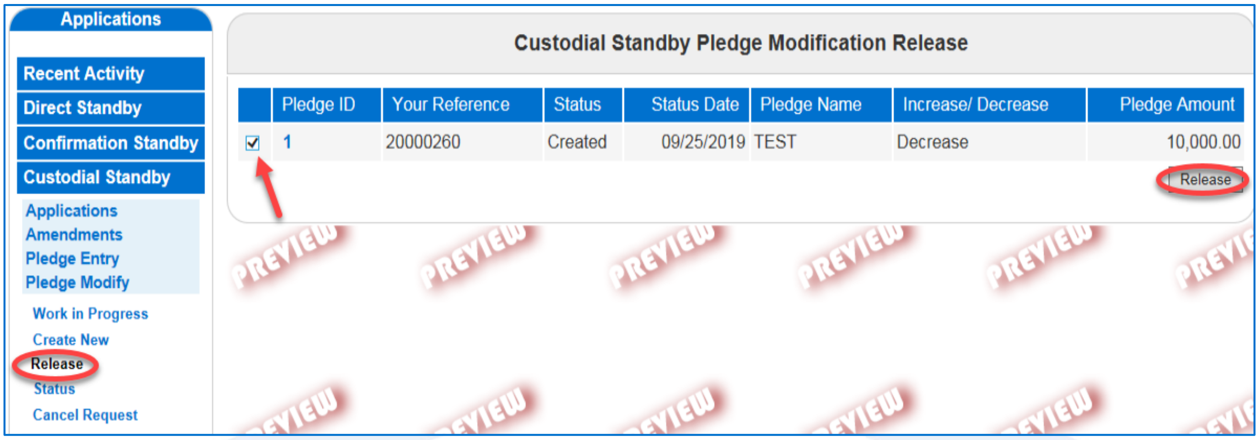


5. To cancel a Pledge Modification (that has not been released), Select **Cancel** tab
   a. **Select** checkbox
   b. Click **Cancel** on bottom right corner



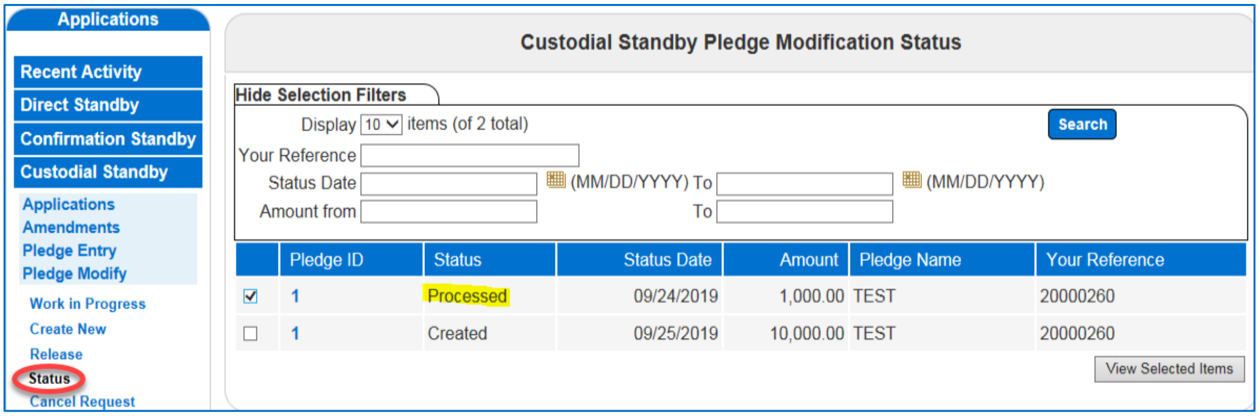
***The cancel option on SecureConnect is only for transactions that have not been released to FHLB Dallas. To cancel a transaction that has been released, please contact Member Services at 844.FHLBANK.*

6. To Submit Pledge Modification, Select **Release** tab
   a. **Select** checkbox
   b. Click **Release** on bottom right corner (by clicking **Release**, you are sending the transaction to FHLB Dallas)



*** Transactions will not be sent to FHLB Dallas until they are released from SecureConnect. Once the transaction is released, Member Services will process the request. If sent transaction needs to be edited, please contact Member Services at 844.FHLBANK.*

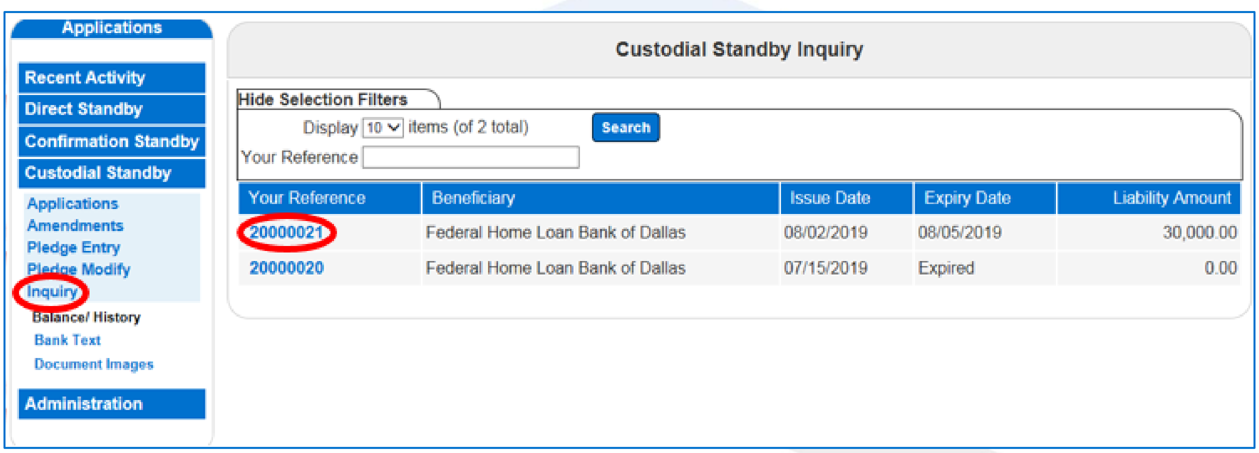
7. To see the status of your Pledge Modification, select **Status** tab



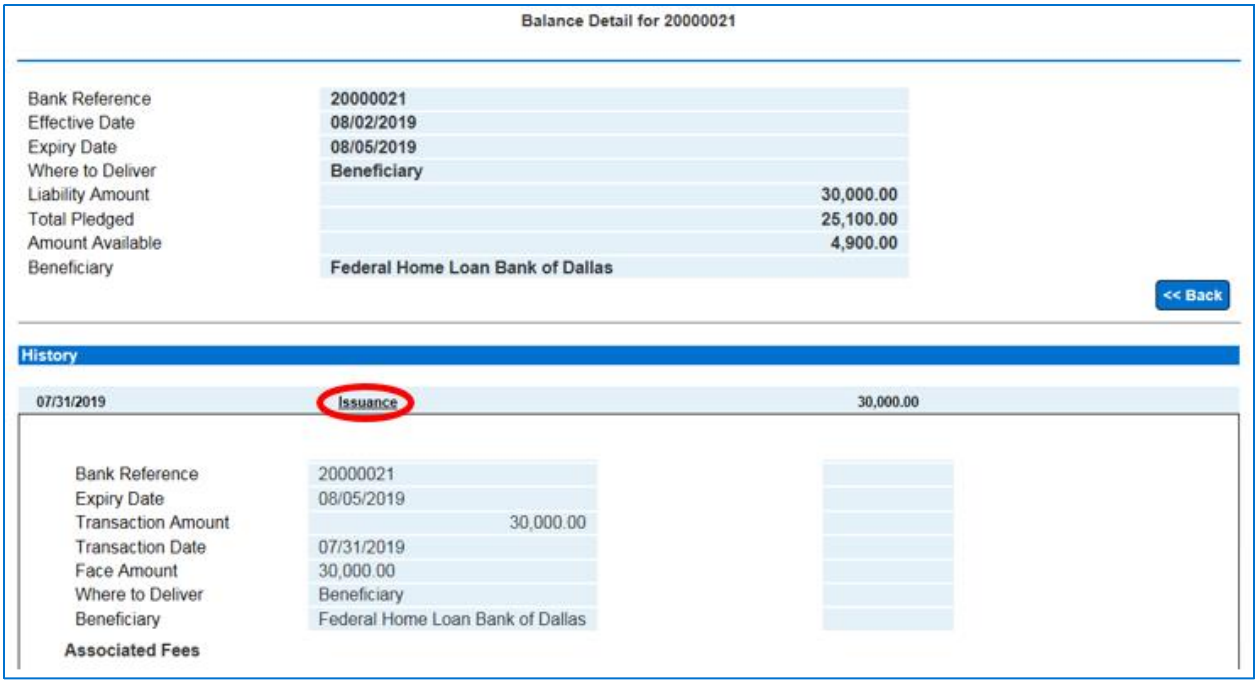
i. Your transaction will be in one of the following statuses:

- **a.** Created – Transaction was created and saved with all required fields completed
- **b.** Modified – Transaction was created/rejected and then repaired and saved with all fields completed
- **c.** Incomplete – Transaction was created but when saved, all required fields were not completed
- **d.** Arrived – Transaction was released to Member Services
- **e.** Rejected – Transaction was released but Member Services canceled it back to the member
- **f.** Processed – Transaction has been approved

8. After releasing, select **Inquiry** tab → **Balance/ History** to view your submission
    a. **Select** LOC



b. Click **Issuance** to view details and documents



Balance Detail for 20000021

Bank Reference	20000021
Effective Date	08/02/2019
Expiry Date	08/05/2019
Where to Deliver	Beneficiary
Liability Amount	30,000.00
Total Pledged	25,100.00
Amount Available	4,900.00
Beneficiary	Federal Home Loan Bank of Dallas

<< Back

History

07/31/2019	Issuance	30,000.00

Bank Reference	20000021
Expiry Date	08/05/2019
Transaction Amount	30,000.00
Transaction Date	07/31/2019
Face Amount	30,000.00
Where to Deliver	Beneficiary
Beneficiary	Federal Home Loan Bank of Dallas

Associated Fees