



Member driven.
Community focused.

Loan Pledging Instructions Insurance Companies

April 2014



Eligible Collateral on Delivery

Effective Date: April 30, 2014

Office of Origin: Collateral Services Department

I. Overview / Procedure Description

This document provides the regulatory definition of the collateral categories that are acceptable for delivery and the documentation and electronic file requirements for loan delivery.

Introduction

The Bank is required by law to make advances solely on a secured basis. The Regulations and the Bank's borrowing agreements (which must be executed prior to borrowing) require members to maintain sufficient acceptable collateral in order to fully secure all advances and other indebtedness to the Bank at all times.

The following steps are required to **deliver** loans:

- 1) Credit Risk Committee approval for loan collateral delivery is required prior the Bank accepting any loan collateral deliveries.
- 2) Submit an electronic file containing descriptive information about the loans being delivered (please see "Electronic File Template for Pledging Loans" and "Classification of Collateral Types" sections, pages 5 and 6).
- 3) Submit the required documentation for each delivered loan (please see "Delivering Collateral – Required Documentation", page 7-8).
- 4) Members without restrictions delivering Residential Mortgage Loans, as defined in the "Classification of Collateral Types" section, will receive In-Process value equal to the Blanket collateral value in effect at the time of delivery. All other mortgage loans will receive final Custody collateral value upon the Bank completing the review of all the documentation.
- 5) Members delivering are also required to provide updated information for each loan at the end of each month (please see "Monthly Update of Pledged Collateral" section, page 9).

Contact information and the Vault shipping address is listed below:

Federal Home Loan Bank of Dallas (FHLB) | Attn: Vault Operations | 8500 Freeport Parkway, Suite 100
Irving, TX 75063 | Phone: 800.541.0597 | Fax: 214.441.8108 | Vault@FHLB.com

II. Procedure Details

A) 1-4 FAMILY LOANS (SF)

INS SF: Secured by first lien 1-4 family residential properties

- 1) All closed-end Whole loans secured by first liens on 1-to-4 family residential properties.
- 2) Mobile homes where (a) state laws define the purchase or holding of a mobile home as the purchase or holding of real property and where (b) the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property.
- 3) Individual condominium dwelling units and loans secured by an interest in individual cooperative housing units, even if in a building with five or more dwelling units.
- 4) Housekeeping dwellings with commercial units combined where use is primarily residential and where only 1-to-4 family dwelling units are involved.
- 5) First Lien Home Equity (Closed End Mortgage) where a 1-to-4 family dwelling unit is involved.

Excluded from this category:

- 1) Loans secured by vacant lots in established single-family residential sections or in areas set aside primarily for 1-to-4 family homes.
- 2) Loan participations purchased or sold

B) MULTIFAMILY (MF)

INS MF Secured by multifamily (5 or more) residential properties

- 1) Nonfarm properties with 5 or more dwelling units in structures (including apartment buildings and apartment hotels) used primarily to accommodate households on a more or less permanent basis.
- 2) 5 or more unit housekeeping dwellings with commercial units combined where use is primarily residential.
- 3) Cooperative-type apartment buildings containing 5 or more dwelling units.

Excluded from this category:

- 1) Loans for multifamily residential property construction and land development purposes. Excludes loans secured by nonfarm nonresidential properties.
- 2) Loan Participations purchased or sold

C) COMMERCIAL REAL ESTATE (CM)

INS CM

Secured by nonfarm nonresidential properties. Report First Lien loans secured by real estate as evidenced by mortgages or other liens on nonfarm nonresidential properties, including business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions, dormitories, clubs, lodges, association buildings, "homes" for aged persons and orphans, golf courses, recreational facilities, and similar properties. Loans secured by owner-occupied nonfarm nonresidential properties, the primary source of repayment is not derived from third party, nonaffiliated, rental income associated with the property (i.e., any such rental income is less than 50 percent of the source of repayment) or the proceeds of the sale, refinancing, or permanent financing of the property.

Exclude loans for nonfarm nonresidential property construction and land development

Delivering Collateral

Electronic File Template for Pledging Loans (add file):

The template required to pledge loans is available on the Bank's website (www.fhfb.com) and SecureConnect. The Add file can be submitted through Secure Connect, utilizing a Comma Delimited (csv) file.

- 1) Begin entering the data on line 9 (keep the headings and line 8 as provided).
- 2) The following table indicates column size, layout, and justification parameters. Refer to Illustration #1, for a sample of the file.

Please note: The Bank cannot process the file if the template is changed in any way or if any columns are left blank. This template is necessary for accurate and timely processing and assignment of loan value.

Column ID & Name	Column Description
A – Member Loan Number	15 alphanumeric positions, left justified. (1)
B – Call Report	Call Report Line Item "Classification of Collateral Types" section.
C – Payment Type	Payment Type, refer to "Classification of Collateral Types" bottom of page.
D – Mortgagor Name	30 alphanumeric positions, left justified.
E – Unpaid Principal Balance	11 numeric positions. NO COMMAS & NO CENTS – Use whole dollars only.
F – Current Interest Rate	5 numeric positions. (Examples: 10.875, 8.5 or 8) Without % (percent) sign
G – Address Line 1	25 alphanumeric positions, left justified.
H – Address Line 2	25 alphanumeric positions, left justified.
I – Property State	2 alpha character postal state abbreviations.
J – Property Zip Code	10 alphanumeric character postal zip codes. (EXAMPLES: 76123-0000 or '01234-1010)
K – Property County	15 alphanumeric positions, left justified. (1)
L – Appraised Value	11 numeric positions. NO COMMAS & NO CENTS – use whole dollars only.
M – Original Loan Amount	11 numeric positions. NO COMMAS & NO CENTS – use whole dollars only.
N – Principal & Interest	8 numeric positions. NO COMMAS & NO CENTS – use whole dollars only.
O – Next Payment Date	10 numeric positions. Date format using the forward slash as the separation character. MM/DD/YYYY
P – Loan Maturity Date	10 numeric positions. Date format using the forward slash as the separation character. MM/DD/YYYY
Q – Number of Units	5 numeric positions. (Examples: Single-family =1, Duplex =2, etc.)
R – Loan Origination Date	10 numeric positions. Date format using the forward slash as the separation character. MM/DD/YYYY
S – Note Status	1 alpha character: "C" for Custody (Delivery).

**** Files formatted incorrectly will cause a delay in processing****

Common Mistakes:

- 1) Using decimals, commas, or special characters.
- 2) Not rounding to even dollar amount, or including cents.
- 3) Member number appearing in column "C" row 1, instead of "B" 1.
- 4) Address is for the location of the pledged collateral, not borrower's address.

Classification of Collateral Types

Call Report Codes – Insurance Companies	
Single Family 1st Lien Collateral	
1 st Lien, 1-4 family residential property, closed end	INS SF
Multifamily Collateral	
5 or more residential dwelling-unit properties	INS MF
Commercial Real Estate Collateral	
Commercial Real Estate – Nonfarm/Nonresidential – Owner Occupied	INS CM

Payment Type Definitions:

FIX – Fixed Rate Mortgage amortized

ARM – Adjustable Rate Mortgage

OTH – Other payment types including balloon payments

INT – Interest Only loan type



Document Checklist

Insurance Companies			Loan Number: _____	
			Mortgagor Name: _____	
SFR INS SF	MF INS MF	CM INS CM	Federal Home Loan Bank of Dallas Pledged Collateral Member Checklist	
Highlighted Items Apply Only to Louisiana Properties				
X	X	X	1	Promissory Note (original) – signed by borrowers
X	X	X	2	Promissory or “Hand” Note – Secured by Collateral Note
X	X	X	3	Collateral Mortgage Note (original)
X	X	X	4	Collateral Pledge Agreement (original) <ul style="list-style-type: none"> Required if Collateral Mortgage Note is used Collateral Mtg Note identified in Coll Pledge Agrmt & Coll Mtg.
X	X	X	5	Note Endorsement or Allonge (original) Signed by member officer w/blank assignee If Note NOT by member – include chain of endorsements
X	X	X	6	POA – Original OR Recorded Copy – POA execution prior to or same date of documents, expiration later than execution date.
X	X	X	7	Assumption Agreement if applicable (Original or Recorded Copy (NM only – Contract of Sale acceptable)
X	X	X	8	HUD – 1 Settlement Statement
X	X	X	9	1008 or Any Doc reflecting terms, type & purpose
X	X	X	10	Truth in Lending for SFR Non Bus Purpose
X	X	X	11	Mortgage / DOT (Recorded Copy) – all pgs & riders
X	X	X	12	Collateral Mtg /Min / Special Mtg (Recorded)
X	X	X	13	Reinscription (Recorded) If Applicable
N/A	X	X	14	Assignment of Mortgage / DOT (Non SF Loans) <ul style="list-style-type: none"> Executed by member officer, notarized with blank assignee
N/A	X	X	15	Assignment of Mortgage / DOT (Non SF Loans) <ul style="list-style-type: none"> Executed by member officer, notarized with blank assignee & Paraphed Note – Use LA Notarial Endorsement & Assignment of Mortgage Note & Mortgage form Assignment of Mortgage Note & Mortgage form Non Paraphed Note – use Assignment of Secured Obligations & Multiple Indebtedness form
X	X	X	16	Renewals / Extensions / Modifications (Orig Or copy Recorded doc) <ul style="list-style-type: none"> ALL renewals, extensions, modifications since loan origination. Mod Agreement accompanied by new Note – New End/Allonge If Renewal docs do not refer to Orig Note, new req's to be met
			17	Final Title Policy / Final Attorneys Opinion (copy) <ul style="list-style-type: none"> Legal Desc. Must match Mort/DOT and Appraisal Reflect First lien position Received by FHLB within 6 mo of loan closing
			18	Final Title Policy / Final Attorneys Opinion (copy) <ul style="list-style-type: none"> Must identify property described in Mortgage & Appraisal Must include Collateral Mtg or MIM End (if new money) Final Attorney Opinion – include Future Advances Clause (MIM)
X	X	X	19	Appraisal – Dated within 12 mo of closing or Updated value <ul style="list-style-type: none"> If UPB less than \$250,000 – Valuation Statement is acceptable W/stated value, address, legal address, authorized signer. If UPB greater than \$250,000 – full appraisal per FIRREA/USPAP If UPB less than 100K – Tax statement or other valuation Subject to Completion appraisal (ONE of the following): Updated Appraisal, Recertification of Value, Cert of Completion, or Cert of Occupancy

X	X	X		Phase 1 Environment Risk Assessment <ul style="list-style-type: none"> If appraisal requires, or Underground Storage Tanks exist
N/A	X	X	20 21	Property Inspection – Non SFR, w/UPB over \$500,000, or Single Property over \$500,000 in Value <ul style="list-style-type: none"> Required if appraisal older than 12 mos prior to delivery date Ordered by FHLB thru 3rd party at member's expense
X	X	X	22	Flood Insurance (copy) per appraisal located in flood hazard area <ul style="list-style-type: none"> Must be current and reflect member as Loss Payee Coverage – meet UPB or maximum of \$250,000 (Nat'l Flood Ins)
X	X	X	23	Hazard Insurance (copy) – Must be current and reflect member as Loss Payee <ul style="list-style-type: none"> Builders Risk Ins unacceptable completed, occupied construction FHLB accepts coverage (less of SP and APRSD value) less site value Blanket Forced Place – if provided individual dec pg not required. Non-Blanket Forced Place – provide current evidence prop covered
N/A	N/A	N/A		UCC (copy) / Title of Ownership (original)
N/A	X	X	24	Assignment of Rents & Leases (recorded copy) <ul style="list-style-type: none"> Required for prop generating rental revenue (included in Mtg OK)
X	X	X	25	Act of Assignment and Pledge Agreement (original) <ul style="list-style-type: none"> First Delivery – Louisiana Members Only (See Exhibit C)



Monthly Update of Pledged Collateral

To continue receiving loan value for pledged collateral, the member must submit monthly updates for each loan. The Bank prefers to receive the update information and Assignment and Certification form no later than 21 calendar days after the first business day of the month in order to prevent potential losses for the Bank. An analysis is performed by the Bank of all pledged loans after each update. Some of the items reviewed include delinquencies, appraised value, loan to value, interest rates, and maturity dates. Pledged notes for which information is not received in a timely manner or which are outside the Bank's acceptable standards will receive zero collateral value.

Electronic File Template for Updating Delivered Loans

At the beginning of each month, the Bank will provide a template containing the Member's outstanding collateral information. This template is necessary for accurate processing and assignment of loan value. In order to utilize the template, please note the following requirements:

- 1) The template is specific for update of outstanding loans. (Illustration #2).
- 2) The rows identify each loan and the columns identify each loan's characteristics.
- 3) The columns are in a specific sequence. Please do not add, move or omit columns.
- 4) The fields must contain specific information - format and data. You may examine the following detail format document to review the expected fields.
- 5) If a member needs to change the Loan Number, or Borrower Name, contact Vault Operations to obtain instructions on how to make the change.
- 6) After processing the submitted Portfolio Update file, the Bank will provide several reports on Secure Connect detailing the condition of the member's delivered notes. Refer to Exhibit B, for detailed information on the reports that may be provided after the update

Update Detailed Instructions:

- 1) The system will prompt you to Open or Save the file to your computer, select SAVE.
- 2) The "Save as Box" will appear.
- 3) In "Save In" choose where you want the file to be saved.
- 4) After saving the file open Excel.
- 5) In Excel from the menu bar select FILE.
- 6) Select OPEN.
- 7) Make sure the "Files of type" option is set to: All Files or Text Files.
- 8) Find the text file you saved and click OPEN.
- 9) The "Text Import Wizard" window will appear.
- 10) Select "Delimited", Click NEXT.
- 11) Leave the check mark on "Tab" and select a check mark on "Comma", Click NEXT.
- 12) The wizard will automatically highlight the first column, from the "Column data format" select TEXT, and click FINISH.
- 13) In Excel from the menu bar select FILE.
- 14) Select SAVE AS.
- 15) Make sure the "Save as type" option is set to CSV.
- 16) An Excel window will pop up select "Yes" to keep the CSV format.
- 17) It is now possible to update your loan information.

The following table indicates column size, layout, and justification parameters. When a new item is delivered, data coding must continue for all columns of data as detailed below.

COLUMN ID & NAME	COLUMN DESCRIPTION
A – Member Loan Number	15 alphanumeric positions, left justified. ^{(1) (2)}
B – Borrower Name	30 alphanumeric positions, left justified.
C – Unpaid Principal Balance	11 numeric positions. NO COMMAS & NO CENTS – Use whole dollars only.
D – Current Interest Rate	5 numeric positions. (Examples: 10.875 or 8.5 or 8, without % percent sign)
E – Principal & Interest Payment	8 numeric positions. NO COMMAS & NO CENTS – Use whole dollars only.
F – Next Payment Date	10 numeric positions. Date format as MM/DD/YYYY ⁽³⁾

Collateral Fees

Vault Processing Fees

Type	Add Price	Return Price
1-4 Family Loans	\$4 per item	\$8 per item
Multifamily	\$4 per item	\$8 per item
Commercial	\$10 per item	\$8 per item

Other Collateral Service Fees

Type	Price
Inspections	\$110 - \$175 for improved, non Single Family loans with balances over \$500,000.
Updates	\$25 per update processed by some means other than SecureConnect

Exhibit A

Assignment and Certification of Collateral Security for Advances By Either Delivery or Listing

To: FEDERAL HOME LOAN BANK OF DALLAS

FHFB ID #: _____

The undersigned Member does hereby assign, pledge, transfer, deliver, and endorse to the Federal Home Loan Bank of Dallas ("Bank"), its successors or assigns, each and every note or other instrument and the mortgage, deed of trust, or other document securing such note or other instrument (the "Collateral"), as evidenced by attachments hereto and incorporated herein, identified as _____ (the "Listing").

Member does hereby make, constitute, and appoint the Bank its true and lawful attorney-in-fact to deal with the Collateral and, in the Member's Name and stead, to release, collect, compromise, settle, and release of record any mortgage, deed of trust, or other document which is a part of the Collateral and to do any other act necessary and consistent with this assignment. The powers herein granted are coupled with an interest and are irrevocable, and full power of substitution is granted to the Bank.

Certification of Collateral for Advances by the Bank.

Member certifies that the Collateral described on the attached Listing: (i) was derived from a data entry form or electronic data transmission provided by the Member to the Bank; (ii) constitutes eligible collateral within the meaning of the Federal Home Loan Bank Act and the regulations promulgated thereunder; (iii) consist of _____ (insert number) notes, with a current unpaid principal amount of \$ _____; and (iv) (check one) either ____ (A) is hereby delivered by the Member to the Bank, or ____ (B) is held by the Member in trust for the benefit of the Bank in the Member's vault at its principal place of business or other location approved by the Bank in writing, appropriately segregated to indicate the Bank's interest therein; and the Member further certifies that its interest in the Collateral has not been, directly or indirectly, pledged, hypothecated, assigned, or transferred to any person or entity other than the Bank or subordinated to the interest of any other person or entity.

Member Name

Address

Authorized Signature

City, State, Zip

Title

Date

Acknowledgement

State of: _____

County (Parish) of: _____

BEFORE ME, the undersigned, on the ____ day of _____, _____, personally appeared _____ (Name), _____ (Title), who acknowledges that he/she is duly authorized to act on behalf of _____ (Member Name) and affirms that the foregoing is true and correct to the best of his/her knowledge and belief.

Notary Public, State of: _____

FOR FHLB DALLAS USE ONLY

My Commission Expires: _____

Exhibit B

FEDERAL HOME LOAN BANK OF DALLAS Collateral Reports Available on SecureConnect

Collateral Portfolio Report

Provides descriptive information about all the loans that have been delivered/listed with the Bank and the value (or lack of) collateral value.

Member Collateral Detail Report

Reflects loans that have been delivered/listed and their assigned loan value.

Collateral Problem Loans

Reflects loans that have been delivered and due to documentation or entry errors are receiving no loan value. Please send the required documents or request that the loan be returned.

Zero Loan Value Report

Reflects loans that have been delivered and are receiving no loan value. The reason for the zero loan value is listed for each note. This report will include problem loans as well as loans that have matured, properties not yet inspected, and loans that are not calculating correctly with the loan information provided. Please send the required documents, the new information, or request that the loan(s) be returned.

Update – Pledged Loans Updated

Reflects loans that successfully updated from the submission.

Update – Omissions to be Reviewed

Reflects loans that are on the Bank's **system** and were **not** included on the submission. Please provide the necessary information to ensure loan value is received.

Update – Loans not on Master File

Reflects loans that were on the **submission** and are **not** on the Bank's system. Please verify current and prior release requests to ensure the loan has not been returned.

Update – Portfolio Update Rejected Loans

Lists loans that were rejected. These loans may also be on the *Loans Not on Master File* report. The information (loan number, Name, etc.) does not match the format required or is different from the file sent prior to the update.

Exhibit C

**FEDERAL HOME LOAN BANK OF DALLAS
NINTH DISTRICT
ACT OF ASSIGNMENT AND PLEDGE
[LOUISIANA]**

Act of Assignment and Pledge
By:

United States of America
State of Louisiana Parish
of _____

§
§
§

City of _____

In Favor of Federal Home

BE IT KNOWN, that on this _____, 20__ , before me, the undersigned Notary Public duly commissioned and qualified, personally came and appeared:

_____ a depository institution/corporation organized under the laws of the _____, with its principal offices in the Parish of _____, State of Louisiana, herein represented by its _____, duly authorized hereunto.

("Assignor") who declared unto me, Notary, that:

1) **ADVANCES AGREEMENT.** Assignor is obligated unto the Federal Home Loan Bank of Dallas ("the Bank") for monies loaned, advanced, or to be advanced in the future by the Bank pursuant to and represented by that (i) certain Advances and Security Agreement entered into by and between the parties on _____, and (ii) any Advances and Security Agreement entered into hereafter, and (iii) any and all supplements, renewals, additions and amendments thereto (collectively, the "Advances Agreement").

2) **DEFINITIONS.** All capitalized items not otherwise defined herein shall have the meaning ascribed to them in the Advances Agreement, unless the contrary is specifically provided for herein.

3) **HYPOTHECATION.** In order to secure the prompt payment of all sums due under the Advances Agreement, and all other obligations and liabilities of Assignor to Bank, whether direct or indirect, primary or secondary, joint, several, or solidary, absolute or contingent, due or to become due, now existing or hereafter arising, including all future advances, along with all interest, deferral charges, delinquency charges, attorneys fees, expenses of collection and cost (all such obligation and liabilities being herein collectively referred to as the "Indebtedness"), up to the sum of ONE BILLION AND NO/100 (\$1,000,000,000.00) DOLLARS, Assignor does hereby pledge, transfer, assign, set over, hypothecate, abandon, endorse and deliver, unto Bank, its successor, transferees, administrators, or assigns, all of Assignor's right, title and interest, but not the obligations, in and to (i) those certain Mortgage Notes and any other promissory notes that are delivered by Assignor to Bank on any date together with all Mortgages, Collateral Mortgages, Collateral Mortgage Notes, Mortgage Documents, Mortgage Collateral and other Collateral held by Assignor as security for the Mortgage Notes, (ii) all participation interests in loans, and (iii) all proceeds derived from the collateral described in the foregoing clauses (i) and (ii) (all of the foregoing being herein collectively referred to as the "Collateral").

4) **WARRANTY OF TITLE.** Assignor further declared that at the time any Collateral is delivered to Bank that it will be the holder and owner of such Collateral with full power to pledge, transfer, endorse, assign and deliver the same; that it shall have executed no prior assignment or pledge thereof; that it shall have executed no undisclosed release, discharge, satisfaction, or cancellation of such Collateral; and that it shall have executed no release of any portion of such Collateral or the liability of the obligors thereof.

5) **DEFAULT,** in the case of non-payment of the Indebtedness or any portions thereof at maturity or when otherwise due, or in the event of the occurrence of an Event of Default under the Advances Agreement or any document executed in

connection therewith, or upon the failure of Assignor to comply with any of the provisions of this Act of Assignment and 12 Pledge, Bank is hereby irrevocably authorized, at its option, either (a) to foreclose upon the Collateral, in whole or in part, and to thereupon cause such-Collateral to be seized and sold under either executory or ordinary proceedings at Bank's sole option, without appraisal, in either its entirety or in lot; or (b) sell, assign and effectively deliver the Collateral, in whole or in part, in either public or private sale (at the sole option of Bank), without recourse to judicial proceedings and without demand, appraisal, advertisement or notice of any kind, all of which are expressly waived to the full extent permitted by law. Bank shall be entitled to receive the proceeds from any sale of the Collateral by preference and priority over all other parties, and to apply same as a credit against the Indebtedness, including all costs, expenses and attorneys fees. At any such sale, Bank may purchase any of the Collateral free of any right of redemption on the part of the Assignor which right is expressly waived and released to the full extent permitted by law.

6) *WAIVERS*. Assignor waives presentment for payment, demand notice of non-payment and of demand, protest, notice of protest and agrees that the time of payment of the Indebtedness may be extended from time to time, one or more times, without notice of such extension or extensions and without further consent. Without notice to, or consent of Assignor, Bank may substitute, release, discharge or otherwise alter the obligations of Assignor or any other party to the Indebtedness or this Act of Assignment and Pledge without affecting, in any way, the other obligations of Assignor.

7) *EXCULPATION*. Bank shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the Collateral that is delivered to Bank; however, Bank agrees to cooperate with Assignor in the event that Assignor may be required to return any of the Collateral to the obligor thereon in order to evidence such obligor's payment in full of the obligation of such obligor, or should Assignor, subject to consent by Bank, require possession of any of the Collateral in order to exercise any of its rights against any of the obligors of Assignor. Assignor understands and agrees that Bank's sole duty with regard to the Collateral shall be to use reasonable care in the custody of the Collateral in Bank's possession, which shall not include any steps necessary to preserve rights against prior parties or the duty to send notices, perform services or take any action in connection with the management of the Collateral except as otherwise provided for herein. The Collateral shall be held by Bank as general collateral to secure the Indebtedness, and it shall be conclusively presumed that any and all loans and advances hereafter made to Assignor by Bank shall have been made in accordance with and upon the security provided for in this Act of Assignment and Pledge which shall remain in full force and effect so long as Assignor is indebted unto Bank, and it is expressly understood that the possession by the Bank of any property or Collateral of Assignor of any character whatsoever shall conclusively evidence the fact that such property or Collateral has been delivered to the extent possible, in accordance with this Act of Assignment and Pledge.

8) *TRANSFER OF COLLATERAL*. Bank may transfer and deliver any and all of the Collateral, and Bank shall thereafter be fully discharged from all liability and responsibility with respect to the Collateral so transferred and the transferee or assignee shall be vested with all the powers and rights of Bank with respect to the Collateral so transferred and delivered, and such transfer shall not affect the priority or ranking of any of the Collateral.

9) *CONTINUITY*. Assignor hereby agrees that this is a continuing Act of Assignment and Pledge and that the reduction or payment in full of the Indebtedness, including any part thereof or any obligation or liability now existing or hereafter arising, and any and all renewals or extensions thereof, shall not extinguish or affect the Act of Assignment and Pledge nor reduce the amount secured hereby.

10) *CONFESSION OF JUDGMENT*. Assignor hereby confesses judgment in favor of Bank, or any future holder or holders of any of the Collateral, up to the full amount of the Indebtedness including principal, interest, attorney's fees, and any sums or expenditures that may be advanced or incurred during the life of this Act of Assignment and Pledge for the payment of insurance, taxes, or any amounts expended for the protection and preservation of the Collateral.

11) *DEFICIENCY*. Bank shall have the right to proceed against Assignor or any of its other property or Collateral for any deficiency to the extent the proceeds of any judicial sale hereunder are insufficient to satisfy the Indebtedness, to the fullest extent permitted by law.

12) *SUCCESSORS AND ASSIGNS*. This Act of Assignment and Pledge shall apply to and bind the parties hereto and their respective successors, assigns, administrators and transferees. Assignor further authorizes and empowers Bank, at any time and at the sole discretion of Bank, to give notice to anyone of this Act of Assignment and Pledge. This Act of Assignment and Pledge shall be governed by and construed in accordance with laws of the State of Louisiana. Wherever

possible, each provision of this Act of Assignment and Pledge shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Act of Assignment and Pledge shall be prohibited or invalid under applicable law, such provisions shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such or the remaining provisions of this Act of Assignment and Pledge.

13) *NON-WAIVER*. No waiver of any right by Bank shall be effective, unless in writing and signed by Bank. No delay by Bank in the exercise of any right shall affect such rights, nor preclude future exercise of such or similar rights. Assignor agrees that this Act of Assignment and Pledge is made as security for the Indebtedness and that the acceptance of this Act of Assignment and Pledge and the exercise of any rights hereunder shall not constitute a waiver of any rights of the Bank under the terms of the Advances Agreement or any documents executed in connection therewith or hereunder.

14) *NOTARIAL ENDORSEMENTS AND PARAPHS*. Assignor agrees that to the extent any Collateral consists of Mortgage Notes delivered to the Bank that are payable to the order of Bank and that are secured by Mortgages in property located in Louisiana, then Assignor shall endorse such Mortgage Notes payable to the order of Bank (or bearer) pursuant to notarial acts of endorsement ("Notarial Endorsement") and cause the notary public before whom the Notarial Endorsement is executed to paraph the various Mortgage Notes for identification with the Notarial Endorsement. The Notarial Endorsement shall be delivered to the Bank contemporaneously with the delivery of the Mortgage Notes.

THUS DONE AND PASSED, on the date first written, in the presence of the undersigned witnesses who have signed their Names with Assignor and me, Notary, after due reading of the whole.

WITNESSES:

Authorized Signature

Name

Title

Notary Public

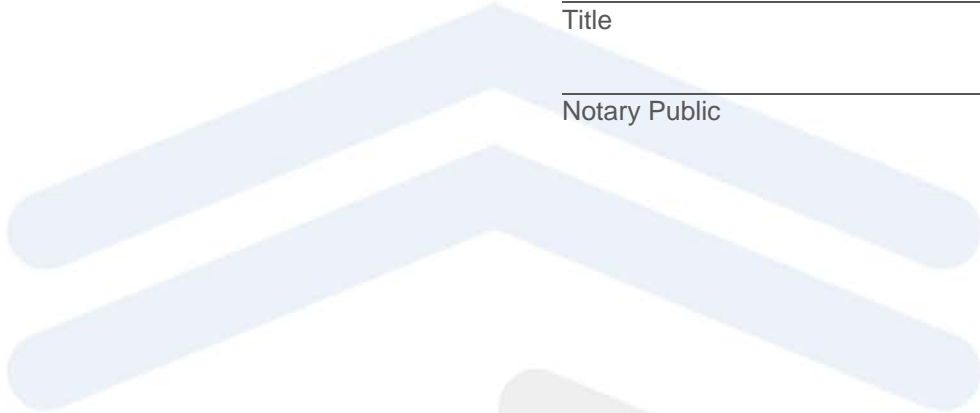


Illustration #1

Sample of an ADD File

Add [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View

Cut Copy Paste Format Painter Clipboard

Arial 10 Font

Wrap Text Merge & Center Alignment

Text Number

Conditional Formatting Format as Table Cell Styles Insert Delete Cells

E19

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	FHFB ID NUMBER:	12345																	
2	ADD																		
3																			
4																			
5																			
6	Loan	Call	Pymt	Mortgagor	Unpaid	Current			State	Property	Property	Appraised	Original	P & I	Next Pymt	Maturity	Property	Origination	Note
7	Number	Report	Type	Name	Principal	Int Rate	Address 1	Address 2	Code	zip	County	Value	Amount	Payment	Due Date	Date	# - Units	Date	Status
8	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
9	123568	INS SF	INT	John Doe	10000000	5.25	123 Anywh	Dallas	TX	75201	Dallas	15000000	10000000	1000	2/25/2014	2/25/2034	1	1/25/2014	C
10	123456	INS MF	INT	Jane Doe	20000000	5	456 Main	Dallas	TX	75201	Dallas	25000000	20000000	2000	2/25/2014	2/25/2034	2	1/25/2014	C
11	345678	INS CM	INT	Jeff Doe	30000000	3.2	789 Somew	Dallas	TX	75201	Dallas	35000000	30000000	3000	2/25/2014	2/25/2034	3	1/25/2014	C
12																			
13																			
14																			
15																			



Illustration #2 Sample of an Update File

Microsoft Excel - Sample - Update.xls

File Edit View Insert Format Tools Data Window Help

100% Tahoma

A4

	A	B	C	D	E	F	G
1	FHFB ID NUMBER:	12345					
2	UPDATE						
3							
4							
5							
6	Loan	Mortgagor	Unpaid	Current	P & I	Next Pymt	
7	Number	Name	Principal	Int Rate	Payment	Due Date	
8	=====	=====	=====	=====	=====	=====	
9	680005	DOE JOHN	369,200	6	2,248	10/01/2002	
10	680011	DOE MARY	346,269	6.75	2,270	10/01/2002	
11	680013	DOE JOHN JR.	377,678	5.375	2,142	10/01/2002	
12	680015	DOE MARY A.	301,116	6.375	1,897	10/01/2002	
13	680017	DOE MARY B.	346,518	6.125	2,127	10/01/2002	
14							
15							
16							

