



Member driven.
Community focused.

SBA Paycheck Protection Program

May 14, 2020

Agenda



Acceptance of Small Business Administration (SBA) Paycheck Protection Program (PPP) Loans as Collateral

Pledging to the Federal Home Loan Bank of Dallas
Pledging to the Federal Reserve Bank



Eligibility Requirements and Limits

Program Eligibility
Eligible Documents



Onboarding Process for Pledging PPP Loans

FHLB Determines Eligibility
Pledging Process



Pledging Instructions

Listing Loans
Monthly Reporting



PPP Loans Acceptable Collateral

SBA – PPP Loans as Acceptable Collateral

- April 17 - Federal Home Loan Banks (FHLBanks) and Federal Reserve Bank(FRB) executed agreements that will allow members to pledge PPP loans to the Federal Reserve Bank for which they are members
 - No intercreditor or subordination agreement required to pledge PPP loans
 - Members interested in taking advantage of this lending facility should contact the appropriate Federal Reserve Bank
 - Loans pledged to the FRB cannot be pledge to both entities
- April 23 – Federal Home Loan Bank announced, as of April 27 PPP loans are eligible collateral and can be pledge to the FHLB Dallas
- Members interested in expanding their borrowing capacity with FHLB Dallas should contact the Collateral Services or your Member Sales Officer
 - Must agree to opt-in to the PPP listing program



Eligibility Requirements and Limits

PPP Eligibility Requirements and Limits

Must meet the SBA Requirements under the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Member must have an executed SBA Form 2484

Members must have an FHLB credit rating of A, B, or C

Members must complete the PPP Certification form

Must not have pledged loans to any other entity, including the Federal Reserve Bank

Members must opt-in to the PPP listing program

Collateral Value Limit

- 20 percent of a member's total borrowing capacity
- \$5 billion in lendable value to any one member

Collateral Verification

- Loans will be reviewed during the member's onsite verification

PPP Documentation Requirements

Promissory note (SBA Standard Loan Note form 147) or lenders form

Signed original document

Scanned copy of the original signed document

E-consent or E-signature that complies with the requirements of the Electronic Signatures in Global and National Commerce Act

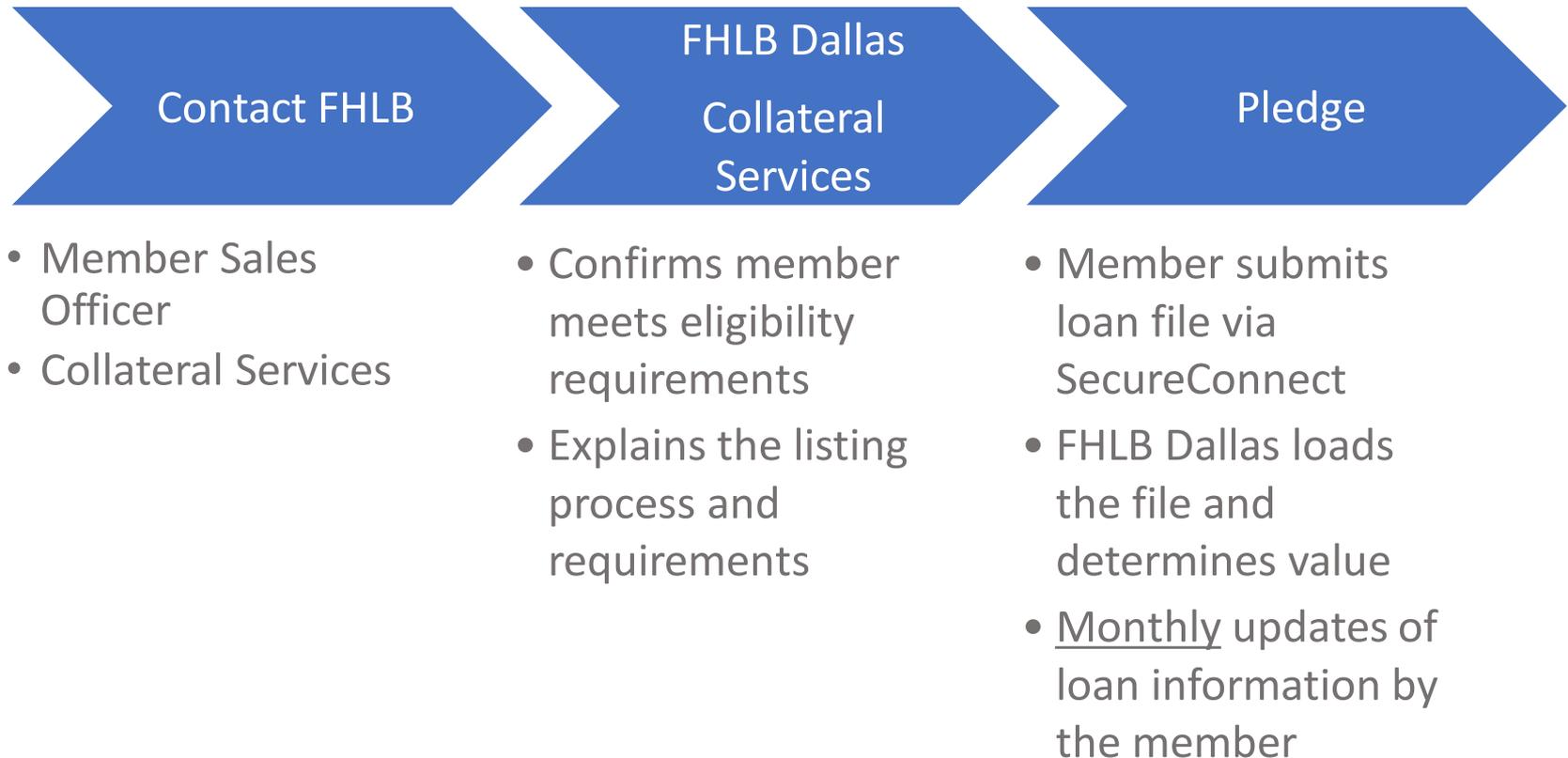
In jurisdictions that permit e-Notarization, documents do not require the physical presence of each borrower, provided the notary public is licensed and domiciled in the state in which the loan and e-Notarization law was enacted.

For a complete list of documentation requirements please review Exhibit C in the Loan Collateral Eligibility Requirements guide. The guide is available on the FHLB Dallas' website.



Onboarding Process for PPP Loans

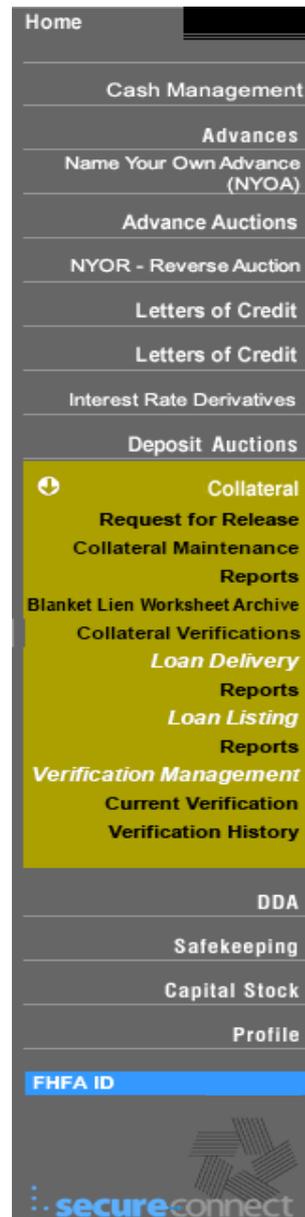
SBA – PPP Onboarding Process





Pledging Instructions

Collateral Menu – Collateral Maintenance



Collateral File Upload Menu

Welcome **Chandra Roubite** My Apps Logout

Home

Cash Management

Advances

Name Your Own Advance (NYOA)

Advance Auctions

NYOR - Reverse Auction

Letters of Credit

Letters of Credit

Interest Rate Derivatives

Deposit Auctions

Collateral

Request for Release

Collateral Maintenance

Reports

Blanket Lien Worksheet Archive

Collateral Verifications

Loan Delivery

Reports

Loan Listing

Reports

Verification Management

Current Verification

Verification History

DDA

Safekeeping

Capital Stock

Profile

FHFA ID

secureconnect

Collateral File Upload

Instructions Upload Status

- Custody Add
- Custody Update
- Listing Add
- Listing Update

The screenshot shows a web application interface. On the left is a vertical sidebar menu with various options. The 'Collateral' section is expanded, showing 'Collateral Maintenance' and 'Loan Listing' highlighted in yellow. Blue arrows point from these items to the main content area. The main content area is titled 'Collateral File Upload' and contains a sub-menu with 'Instructions', 'Upload', and 'Status' tabs. Below these tabs is a list of options: 'Custody Add', 'Custody Update', 'Listing Add', and 'Listing Update'. A blue arrow points from 'Listing Add' in the sub-menu to the 'Collateral Maintenance' item in the sidebar. Another blue arrow points from 'Loan Listing' in the sidebar to the 'Listing Add' item in the sub-menu.

Collateral Menu – Listing Add Instructions

Collateral File Upload

Instructions Upload Status

▸ Custody Add

▸ Custody Update

▾ Listing Add

Collateral Add Instructions

Federal Home Loan Bank of Dallas has setup an efficient and secured method for its members to deliver collateral loan information. Below is a list of steps you must follow for this process:

1. Please review the Loan Pledging Instructions which identifies the documents required when delivering loan packages.
2. Since this functionality requires a specific file format, you must utilize the following template for a successful upload. If you click on the following CSV template file, the system will prompt you to Open or Save the file to your system. Select Save. Once you have saved the file, open the template file with Excel and add your loan information.

Download Template

- You must be running Excel version 97 or higher.
- The template is specific for delivery of new loans.
- The rows identify each loan and the columns identify each loan's characteristics.
- The columns are in a specific sequence. Please do not add, move or omit columns
- Each row should contain a different loan and the columns should contain the detailed characteristics of the loan. (Refer to the comment popups for each field. Some fields require exact syntax.)
- The fields must contain specific information - format and data. You may examine the following detail format document to review the expected fields. Add Detail

3. Once you have saved the file, you may utilize the "Upload File" function to upload the data. The system will perform a virus scan and validate the fields. If the upload is completed successfully, you will receive a confirmation via email. Otherwise, if any viruses or validation errors are found, an email is sent to you with the details.
4. The file will be processed upon receipt of the loan files.

▸ Listing Update

SBA – PPP Pledging Instructions

Borrowers listing loans with the Bank must submit an electronic data file to be considered for loan collateral value. The physical loan file and supporting loan documentation is not required for listed loans unless otherwise requested by the Bank. The Bank routinely monitors data submitted by the member during the routine update process to ensure the loan continues to meet established eligibility criteria.

Electronic File Submission for Listed Loans (Listing Add File)

The electronic data file contains descriptive information about each loan being listed. The template required to pledge loans is available on the [Bank's website](#) and [SecureConnect](#). The add file can be submitted through [Secure Connect](#) via the Listing tab. The add file should be submitted in Comma Delimited (csv) format. See below for more information on the data requirements:

COLUMN ID & NAME	COLUMN DESCRIPTION
A – Member Loan Number	<u>30 alphanumeric positions</u> , left justified. (1)
B – Call Report	Default: COVID19PPP
C – Payment Type	Payment Type for Listing Loans is “LST”
D – Mortgagor Name	<u>30 alphanumeric positions</u> , left justified. Customer Name
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	<u>25 alphanumeric positions</u> , left justified. Customer Address
H – Address Line 2	25 alphanumeric positions, left justified.
I – Property State	2 alpha character postal state abbreviations. Customer's state
J – Property Zip Code	10 alphanumeric character postal zip codes. (EXAMPLES: 76123-0000 or '01234-1010) Customer's Zip Code
K – Property County	<u>15 alphanumeric positions</u> , left justified. (1) Customer's Address
L – Appraised Value	11 numeric positions. NO COMMAS & NO CENTS – use whole dollars only. Default to the Unpaid Principal Balance
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 (2)
P – Loan Maturity Date	10 numeric positions. Date format using the forward slash as the separation character. MM/DD/YYYY (2)
Q – Number of Units	5 numeric positions. (Examples: Single-family =1, Duplex =2, etc.) Default: 1
R – Loan Origination Date	10 numeric positions. Date format using the forward slash as the separation character. MM/DD/YYYY (2)
S – Note Status	1 alpha character: “L” for <u>Listing</u> .

Collateral Menu – Upload Menu

Collateral File Upload



Instructions Upload Status

Upload Category :

Upload Action :

Select File :

*note: allowed file type is .CSV

Collateral Menu – Upload Category

Collateral File Upload

Instructions Upload Status

Upload Category : Select a category

Upload Action : Listing
Custody
Held for Sale

Select File : Browse...

*note: allowed file type is .CSV

reset Upload

Collateral Menu – Upload Action

Collateral File Upload

The screenshot shows a web interface for uploading collateral files. At the top, there are three tabs: 'Instructions', 'Upload' (which is highlighted in blue), and 'Status'. Below the tabs, there are two dropdown menus: 'Upload Category : Select a category' and 'Upload Action : Select a action'. A dropdown menu is open under 'Upload Action', showing 'Add' and 'Update' options. To the right, there is a 'Select File :' section with a text input field and a 'Browse...' button. Below this is a note: '*note: allowed file type is .CSV'. At the bottom right, there are two buttons: a yellow 'reset' button and a blue 'Upload' button with an upload icon. Blue arrows point to the 'Upload' tab, the 'Upload Action' dropdown, the 'Browse...' button, and the 'Upload' button.

Collateral Menu – Upload Status

Collateral File Upload

Instructions Upload **Status**

File History For

Uploaded File Name	Uploaded Category	Uploaded Action	Uploaded Date	Status	Download Error File
-ErrorReport (1).csv	Listing	Add	18-Apr-2019 10:22:10 AM	100% Processed	
ADD_600.csv	HFS	Add	18-Apr-2019 10:14:50 AM	1 loan(s) failed	
-ErrorReport (11).csv	Listing	Add	29-Mar-2019 10:43:30 AM	File failed	
-ErrorReport (11).csv	Listing	Add	29-Mar-2019 10:40:03 AM	File failed	
_QA_ListingAdd_March28.csv	Listing	Add	29-Mar-2019 10:38:45 AM	File failed	
ADD_578.csv	HFS	Add	21-Mar-2019 04:26:06 PM	1 loan(s) failed	
_Custody_Update.csv	Custody	Update	20-Mar-2019 11:11:42 AM	100% Processed	
-ErrorReport (1).csv	Listing	Add	18-Mar-2019 04:44:12 PM	100% Processed	
-ErrorReport (2).csv	Custody	Add	18-Mar-2019 10:46:10 AM	100% Processed	
_Custody_Update.csv	Custody	Update	15-Mar-2019 03:31:03 PM	100% Processed	

Email Notifications / ADD Upload File



qa secure connect

✓ Joe Vela III; vault ▾

[QA]FHLB Dallas: Your Collateral Upload Status Summary

If there are problems with how this message is displayed, click here to view it in a web browser.

This is a system generated email from Federal Home Loan Bank of Dallas providing the status of your recently uploaded Collateral file.

FHFA ID:

File Name: QA_CustodyADD_BAD_Test_Apr03.csv

Upload Date: 4/3/2019 1:11 PM

Number of Successfully processed loans: 2

Number of Loan records with errors: 6

To correct loan records which have errors:

Navigate back to the "Loan File Upload" page and select "Status" tab.

Identify the uploaded file that corresponds with this email notification and download the error file from the "Download Error File" column.

Correct the errors for the loans in the file and submit the corrected file in the "Upload" tab.

If you have any questions, please contact the Collateral Department.

Email: collateral@fhlb.com

Phone: 1-800-541-0597 (option #2)

Collateral Reports – SecureConnect

Collateral Portfolio Report

Collateral Detail Report

- List of all loans separated by loan type and by sequence number
- Eligible Loans (Accepted)
- Current Unpaid Principal Balance
- Loan Value assessed for each loan delivered

Zero Loan Value Report

- List of all loans receiving no value
- Including reason loans are not receiving value, example: delinquent more than 30+ days on PPP Loans

SBA – PPP Monthly Requirement



Members who list loans with the Bank must submit monthly updates for each loan, no later than 21 calendar days after the first business day of the month in order to prevent a potential loss of value.

Electronic File Submission for Updating Delivered and Listed Loans (Update File)

At the beginning of each month, the FHLB Dallas will provide an electronic data file template containing outstanding collateral information. This template is located in the Collateral Update section of [SecureConnect](#). The Borrower will provide updated loan information in this electronic data file and submit it to the FHLB Dallas via [SecureConnect](#). The following table indicates the electronic data file requirements as detailed below:

Collateral File Upload Menu

Welcome Chandra K. White

My Apps Logout

Home

Cash Management

Advances

Name Your Own Advance (NYOA)

Advance Auctions

NYOR - Reverse Auction

Letters of Credit

Letters of Credit

Interest Rate Derivatives

Deposit Auctions

Collateral

Request for Release

Collateral Maintenance

Reports

Blanket Lien Worksheet Archive

Collateral Verifications

Loan Delivery

Reports

Loan Listing

Reports

Verification Management

Current Verification

Verification History

DDA

Safekeeping

Capital Stock

Profile

FHFA ID

secureconnect

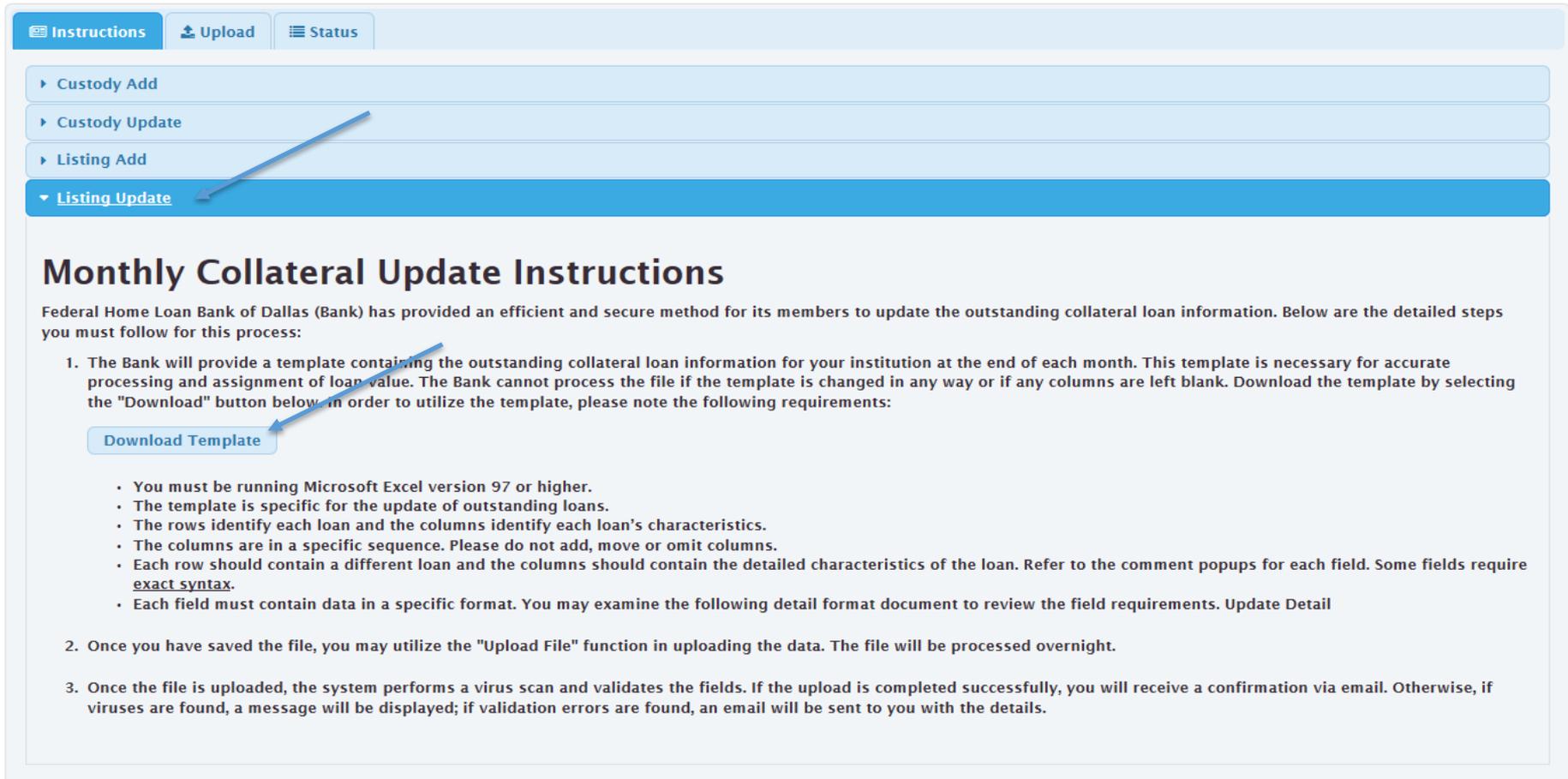
Collateral File Upload

Instructions Upload Status

- Custody Add
- Custody Update
- Listing Add
- Listing Update

Collateral Menu – Listing Update Instructions

Collateral File Upload



The screenshot shows a web interface for collateral file uploads. At the top, there are three tabs: 'Instructions' (selected), 'Upload', and 'Status'. Below the tabs is a list of menu items: 'Custody Add', 'Custody Update', 'Listing Add', and 'Listing Update'. The 'Listing Update' item is highlighted in blue and has a downward arrow next to it. A blue arrow points from the 'Listing Update' menu item to the 'Download Template' button in the instructions below.

Monthly Collateral Update Instructions

Federal Home Loan Bank of Dallas (Bank) has provided an efficient and secure method for its members to update the outstanding collateral loan information. Below are the detailed steps you must follow for this process:

1. The Bank will provide a template containing the outstanding collateral loan information for your institution at the end of each month. This template is necessary for accurate processing and assignment of loan value. The Bank cannot process the file if the template is changed in any way or if any columns are left blank. Download the template by selecting the "Download" button below. In order to utilize the template, please note the following requirements:
 - You must be running Microsoft Excel version 97 or higher.
 - The template is specific for the update of outstanding loans.
 - The rows identify each loan and the columns identify each loan's characteristics.
 - The columns are in a specific sequence. Please do not add, move or omit columns.
 - Each row should contain a different loan and the columns should contain the detailed characteristics of the loan. Refer to the comment popups for each field. Some fields require exact syntax.
 - Each field must contain data in a specific format. You may examine the following detail format document to review the field requirements. Update Detail
2. Once you have saved the file, you may utilize the "Upload File" function in uploading the data. The file will be processed overnight.
3. Once the file is uploaded, the system performs a virus scan and validates the fields. If the upload is completed successfully, you will receive a confirmation via email. Otherwise, if viruses are found, a message will be displayed; if validation errors are found, an email will be sent to you with the details.

SBA – PPP Loan Monthly Update Template



COLUMN ID & NAME	COLUMN DESCRIPTION
A – Member Loan Number	30 alphanumeric positions, left justified.
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⁾
G - Current HELOC Line Amount	8 numeric positions. NO COMMAS & NO CENTS – Use whole dollars only.
H - Interest Paid Through Date	10 numeric positions. Date format as MM/DD/YYYY ⁽³⁾
I - Times ever 30 DPD	10 numeric positions
J - Times ever 60 DPD	10 numeric positions
K - Times ever 90 DPD	10 numeric positions
L - Current NOI	8 numeric positions. NO COMMAS & NO CENTS – Use whole dollars only.
M - Current NOI Date	10 numeric positions. Date format as MM/DD/YYYY ⁽³⁾
N - Occupancy Rate	10 numeric positions
O - Occupancy Date	10 numeric positions. Date format as MM/DD/YYYY ⁽³⁾

***Blue highlighted fields are for delivered loan updates only and are not applicable to members listing PPP loans. These fields can be left blank.**

Collateral Menu – Upload Menu

Collateral File Upload



Instructions Upload Status

Upload Category :

Upload Action :

Select File :

*note: allowed file type is .CSV

Collateral Menu – Upload Category

Collateral File Upload

Instructions Upload Status

Upload Category :

Upload Action :

- Listing
- Custody
- Held for Sale

Select File : Browse...

*note: allowed file type is .CSV

reset Upload

Collateral Menu – Upload Action

Collateral File Upload

Instructions Upload Status

Upload Category : Select a category

Upload Action : Select a action

Add
Update

Select File : Browse...

*note: allowed file type is .CSV

reset Upload

Collateral Menu – Upload Status

Collateral File Upload

Instructions Upload **Status**

File History For

Uploaded File Name	Uploaded Category	Uploaded Action	Uploaded Date	Status	Download Error File
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-ErrorReport (2).csv	Custody	Add	18-Mar-2019 10:46:10 AM	100% Processed	
_Custody_Update.csv	Custody	Update	15-Mar-2019 03:31:03 PM	100% Processed	

Email Notifications / Update Upload File



Tue 4/16/2019 10:49 AM

qa secure connect

[QA]FHLB Dallas: Your Collateral Upload Status Summary

To Joe Vela III

Cc vault

If there are problems with how this message is displayed, click here to view it in a web browser.

This is a system generated email from Federal Home Loan Bank of Dallas providing the status of your recently uploaded Collateral file.

FHFA ID:

File Name: : _QATest_BAD_Update_April16.csv

Upload Date: 4/16/2019 10:49 AM

Number of Successfully processed loans: 1140

Number of Loan records with errors: 11

To correct loan records which have errors:

Navigate back to the "Loan File Upload" page and select "Status" tab.

Identify the uploaded file that corresponds with this email notification and download the error file from the "Download Error File" column.

Correct the errors for the loans in the file and submit the corrected file in the "Upload" tab.

If you have any questions, please contact the Collateral Department.

Email: collateral@fhlb.com

Phone: 1-800-541-0597 (option #2)

Collateral Reports – SecureConnect

Collateral Portfolio Report

Collateral Detail Report

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Recap – Questions?



Acceptance of Small Business Administration (SBA) Paycheck Protection Program (PPP) Loans as Collateral

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Pledging to the Federal Reserve Bank



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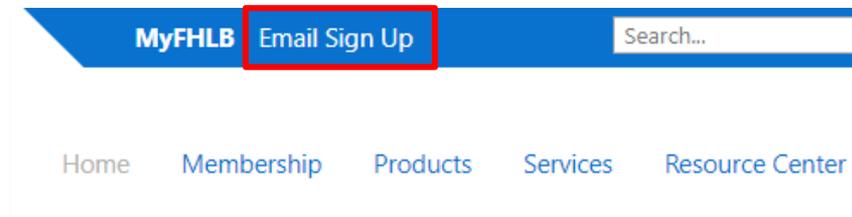
Pledging Instructions

Listing Loans
Monthly Reporting

Helpful Resources

- SecureConnect homepage popups
- COVID-19 Information and Resources webpage
 - Available at fhlb.com/COVID19
- Loan Collateral Eligibility Requirements
 - Available at [fhlb.com > Services > Collateral](https://fhlb.com/Services/Collateral)
- Watch for important updates and sign up to receive member bulletins and collateral updates

Use the “Email Sign Up” button located at the top of fhlb.com



Choose Your categories

Choose the categories for which you are interested in receiving information.

Member Bulletins

Keep abreast of changes to policies, dividend and excess stock repurchases, new product announcements, and other information regarding your membership in FHLB Dallas. (Select this option ONLY if you are an FHLB Dallas financial institution member.)

COVID-19 Information and Resources

Receive notification of new COVID-19 relief programs information and updates.

Collateral Requirements Updates

Receive notifications of changes to membership investment requirements, collateral policies and collateral requirements.

If you have any questions, please
contact the Collateral Department at:

Collateral@fhlb.com

Or

800.541.0597

(Option 2)