Member Liquidity Stress Assessment for Banks

MLSA Tool Walkthrough

Before we Begin…

Locate your most recent

- Blanket Lien Worksheet from SecureConnect
- Call Reports (current and previous quarter)

The **Member Liquidity Stress Assessment (MLSA)**

- Estimates a member's current and stressed collateral status based on a set of quantitative factor
- Provides potential changes in estimated collateral based on inputs and assumptions

Note: The MLSA does not take into account certain situations such as held-for-sale, limitations due to the 35% of assets, etc.

MLSA Tool for Banks

Access the MLSA at *fhlb.com/MLSA*

Overview

The Member Liquidity Stress Assessment (MLSA) provides FHLB Dallas member banks with a tool to estimate their bank's creditworthiness. FHLB Dallas member banks may click to use the MLSA model upon viewing the training, education materials and reading the disclaimer below.

Member banks can then estimate a potential change in total collateral capacity and collateral status based on a set of quantitative factors that are statistically proven to be the most predictive of bank failures. The model is built so members can change key factors to simulate a stress situation and see an estimate of how those factors could impact their collateral status in a stress scenario.

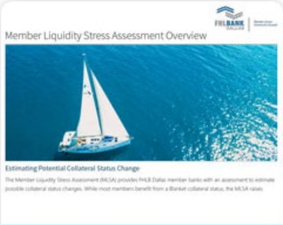
Training and Education

Please watch the following two webinars and review the step-by-step pdf guide before using the MLSA. The "Collateral Valuation Summary" webinar covers key collateral valuation topics that are critical to effectively using the MLSA. The "Member Liquidity Stress Assessment Guide" walks you step-by-step through how to use the MLSA.

Collateral Overview Webinar
April 2018
View attachment

Blanket Versus Custody
April 2018
View attachment

MLSA Roadmap
PDF
View attachment



MLSA Overview Guide
PDF
View attachment

Overview of MLSA

Links to training and education materials
- MLSA webinar
- MLSA step-by-step guide

MLSA Tool for Banks

Disclaimers

You must read the following before entering the tool.

The Member Liquidity Stress Assessment (MLSA) is a tool for Members of the Federal Home Loan Bank of Dallas (FHLBD) that file quarterly consolidated Reports of Condition and Income with the FFIEC. The MLSA is not designed to mimic or replicate the decision-making process at FHLBD related to collateral status, collateral availability or collateral value.

FHLBD's internal processes for determining collateral status, collateral availability and collateral value contain numerous factors, including both subjective and objective factors not included in this tool. The MLSA is only able to provide a limited view of certain objective factors and therefore SHOULD NOT BE RELIED UPON BY THE MEMBER to make any business decision, financial or otherwise. If the Member desires information related to these areas that it may rely on, then they can reach out to their Member Sales representative to discuss options available to the Member.

The scenarios and valuations in the MLSA are derived using proprietary models, all of which are subject to change without notice. FHLBD does not undertake an obligation, and disclaims any duty, to update the MLSA. The data, scenarios and valuations provided in the MLSA are for informational purposes only and are provided as an accommodation and without charge and are not intended for further distribution by the Member.

The data, scenarios and valuations are estimates only and may not, and in fact are not intended to, represent the actual or indicative terms on which new or existing transactions could be entered into.

The scenarios and valuations in the MLSA are prepared without any prior information about your institution's balance sheet composition, financial assumptions and plans, collateral quality or other key information any of which may affect the relevance of the valuations and scenarios provided.

FHLBD MAKES NO REPRESENTATIONS OR WARRANTIES ABOUT THE ACCURACY OR SUITABILITY OF ANY INFORMATION GENERATED OR PROVIDED BY THE MLSA. FHLBD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE MLSA, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, AND FHLBD SPECIFICALLY MAKES NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL FHLBD HAVE ANY LIABILITY OR OTHER OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH A MEMBER'S USE OF THE MLSA REGARDLESS WHETHER SUCH CLAIM OR CLAIMS ARE BASED ON BREACH OF WARRANTY OR OTHER CONTRACT BREACH, NEGLIGENCE OR OTHER TORT OR ON ANY STRICT LIABILITY THEORY EVEN IF FHLBD HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES, LIABILTY OR OBLIGATIONS. IN NO EVENT SHALL FHLBD BE LIABLE FOR ANY SPECIAL, COLLATERAL, INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE USE OF THE MLSA, WHETHER ARISING OUT OF BREACH OF WARRANTY OR OTHER CONTRACT BREACH, NEGLIGENCE OR OTHER TORT, ANY STRICT LIABILITY THEORY OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT MEMBER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

The information presented in the MLSA is not intended to constitute legal, accounting, investment or financial advice or the rendering of legal, accounting, consulting, or other professional services of any kind. You should consult with your accountants, counsel, financial representatives, consultants and/or other advisors regarding the extent any scenarios or valuations generated in the MLSA may be useful to your institution and with respect to any legal, tax, business and/or financial matters or questions.

Legal Disclaimer

☑ **By clicking here and proceeding to the MLSA you hereby certify that you have read and understood this disclaimer and the MLSA training materials above.**

Go To Member Liquidity Stress Assessment

Acceptance of Legal Disclaimer & Link to MLSA

MLSA Liquidity Assessment Tool Landing Page

Member Liquidity Stress Assessment

All estimated amounts below are not to be relied upon. Actual numbers may vary greatly. Reach out to your Member Sales Officer if more information is required.

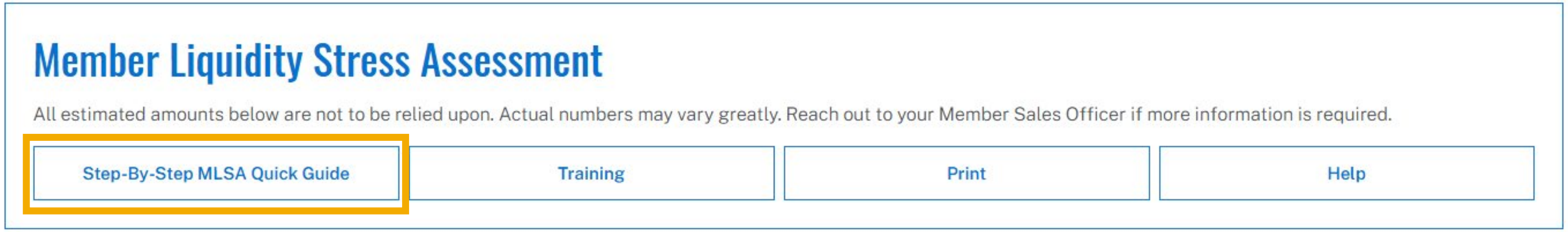
Step-By-Step MLSA Quick Guide	Training	Print	Help

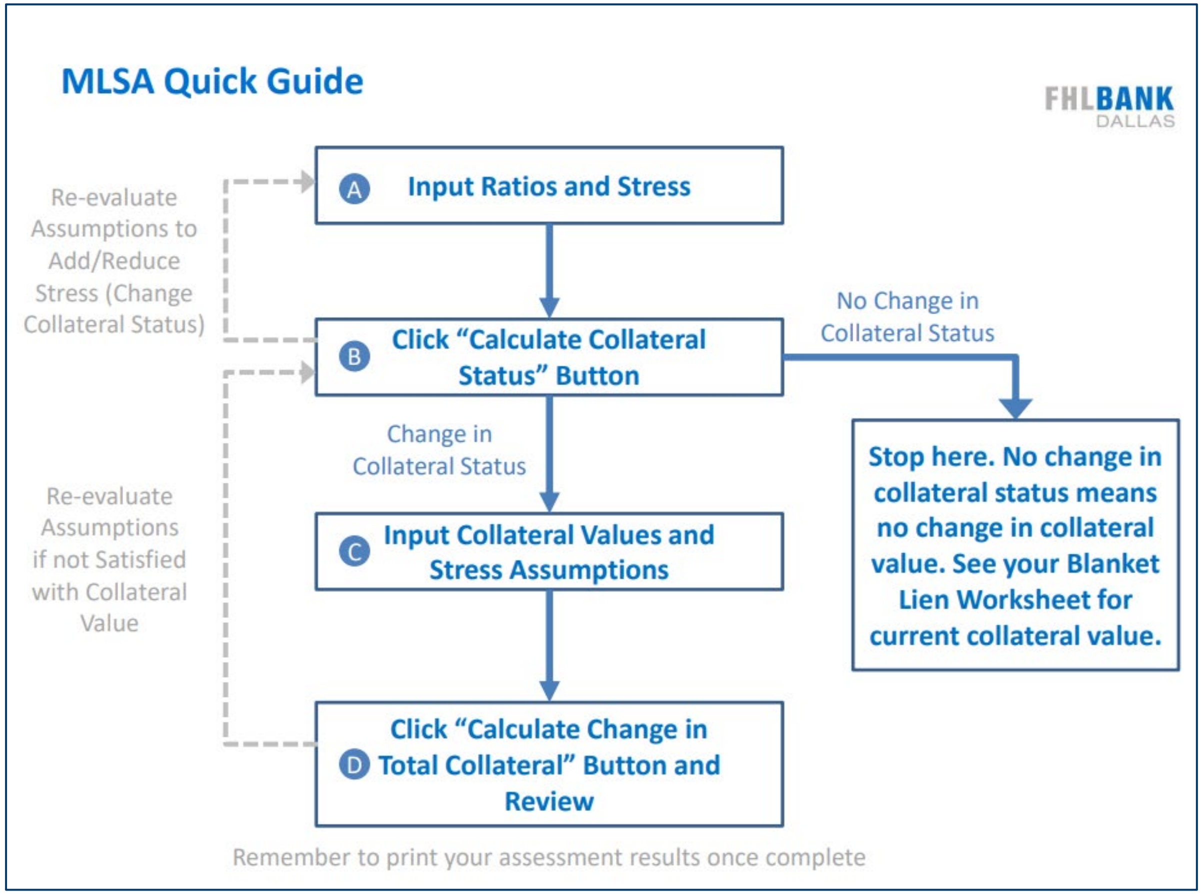
Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION		- +	
Tier 1 Leverage Ratio (%) = SHOW CALCULATION		- +	
Liquidity Ratio (%) = SHOW CALCULATION		- +	
ROAA (%) = SHOW CALCULATION		- +	

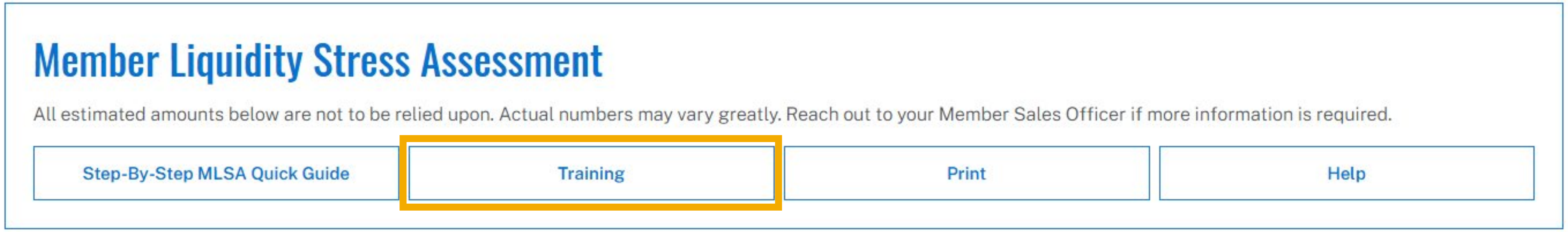
Calculate Collateral Status

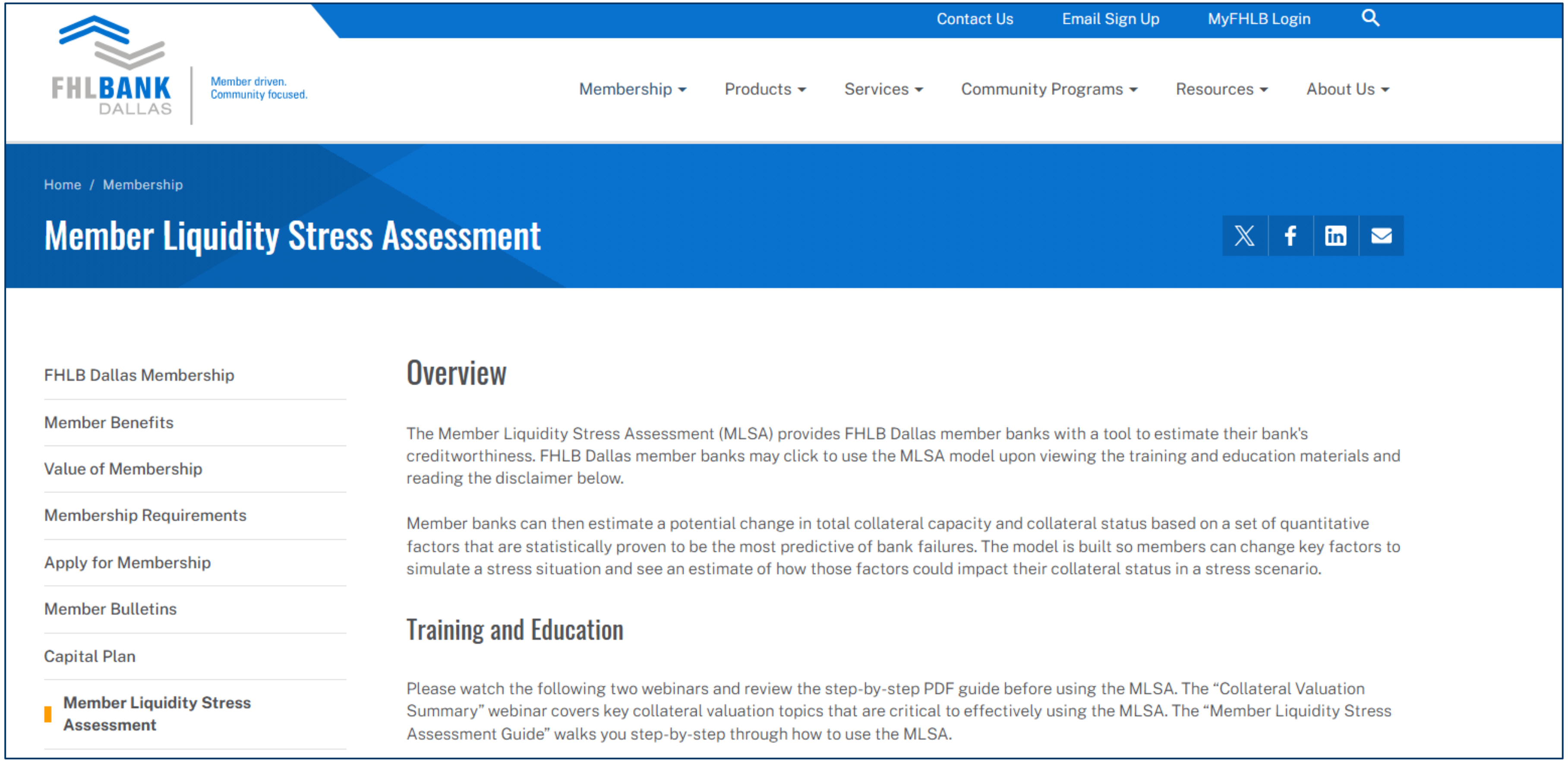
MLSA Tool Landing Page: Step-By-Step MLSA Quick Guide



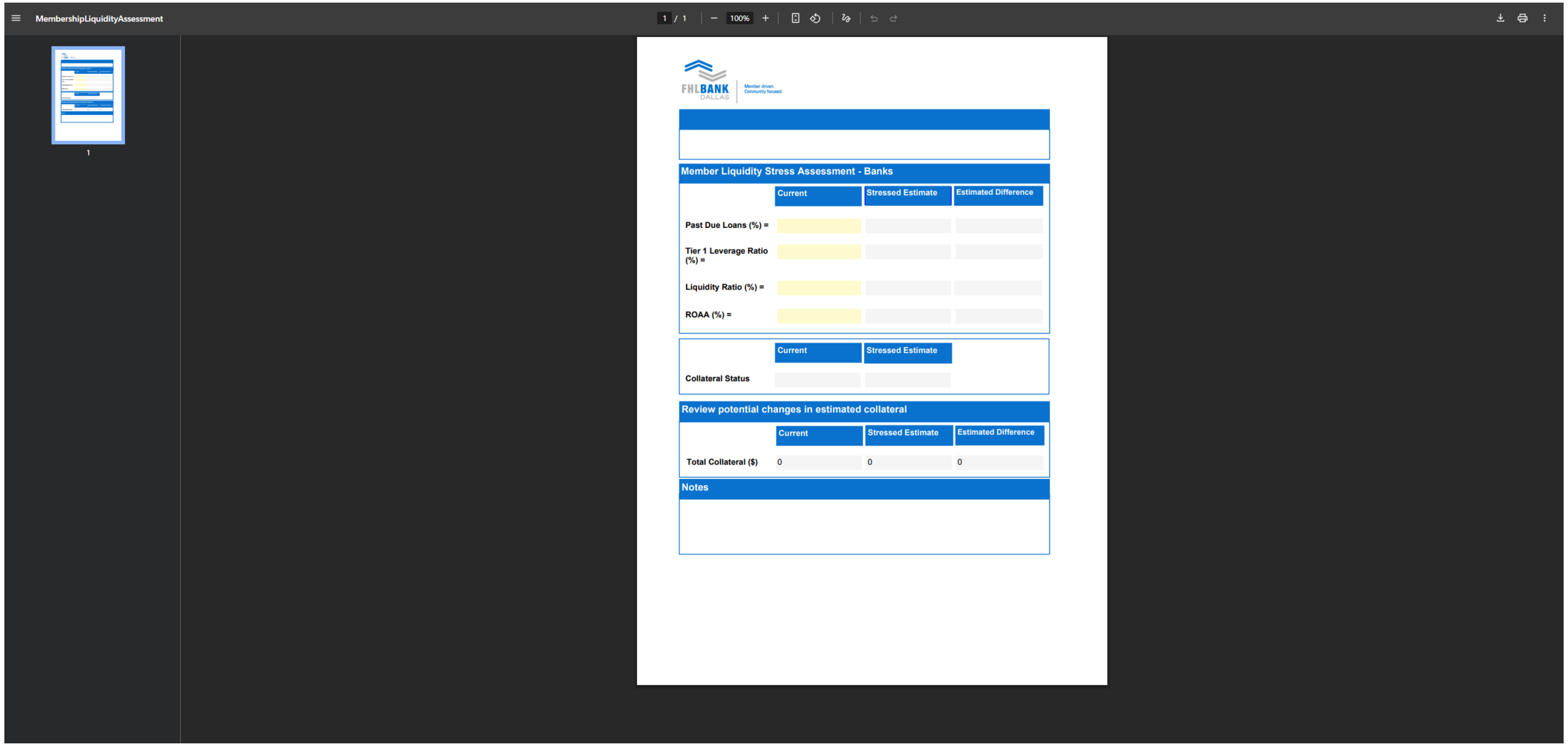


MLSA Tool Landing Page: Training Tab

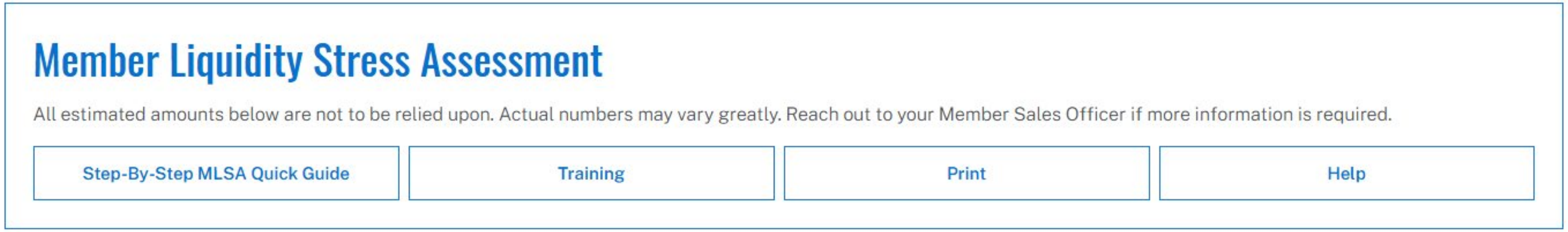


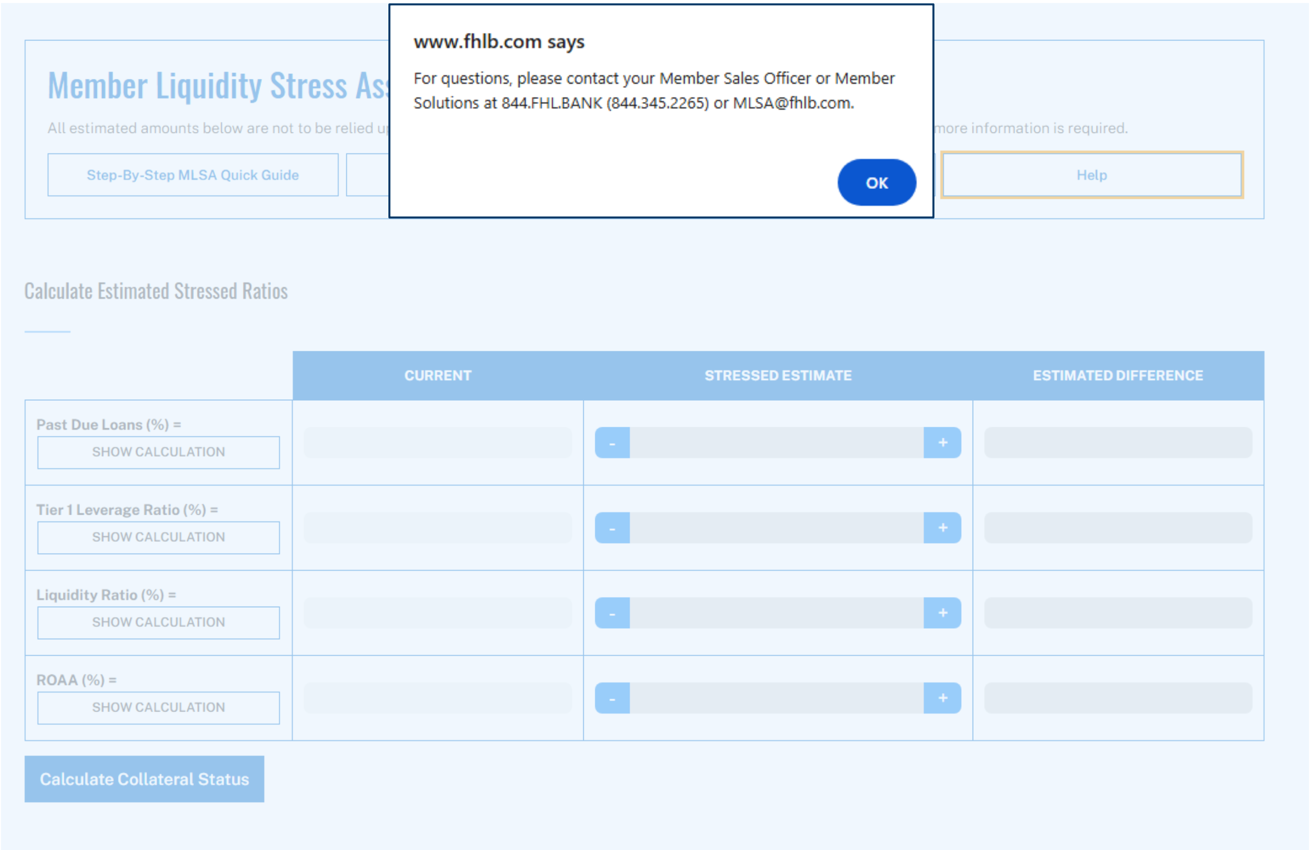


MLSA Tool Landing Page: Print Tab



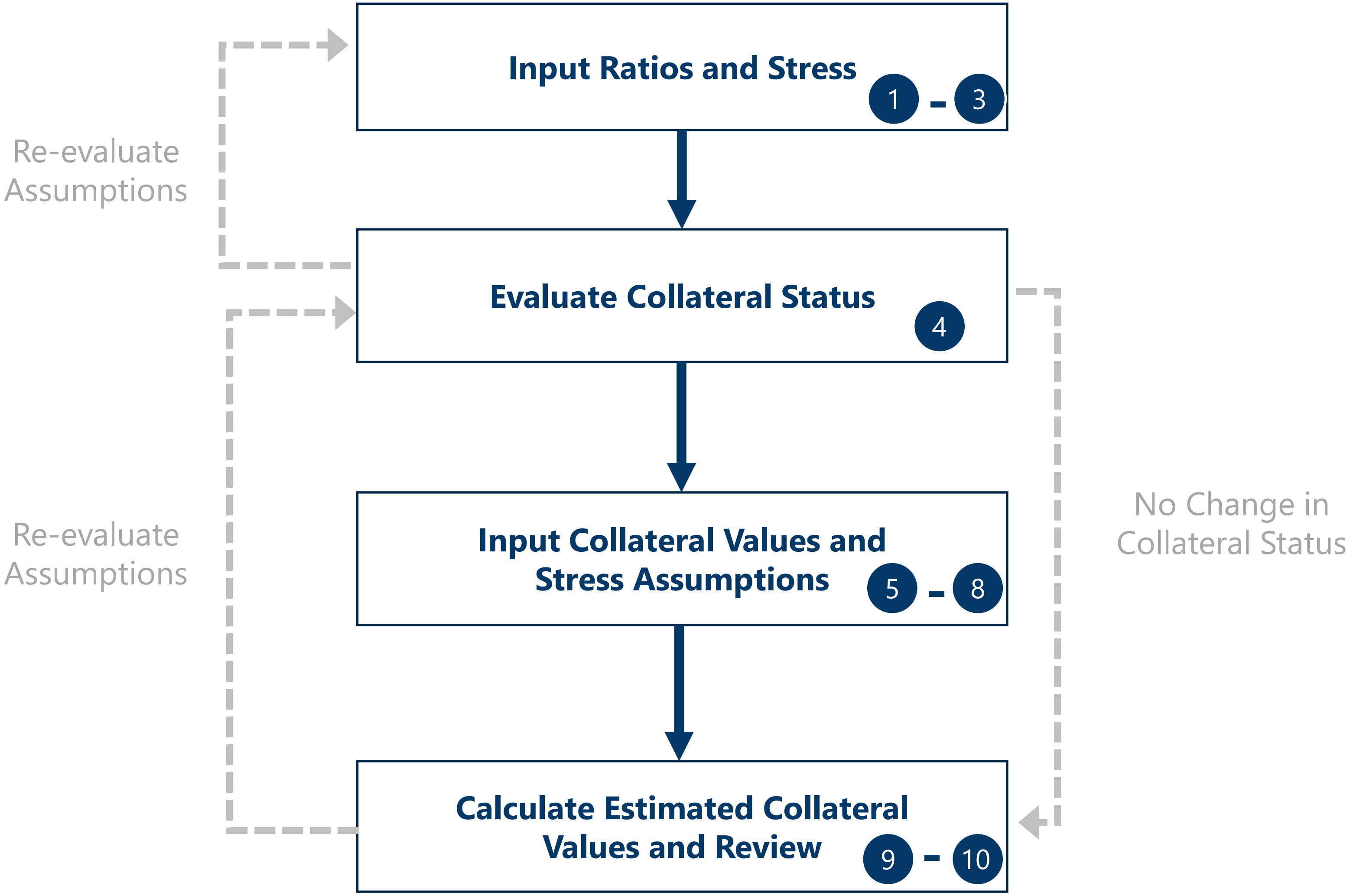
MLSA Tool Landing Page: Help Tab





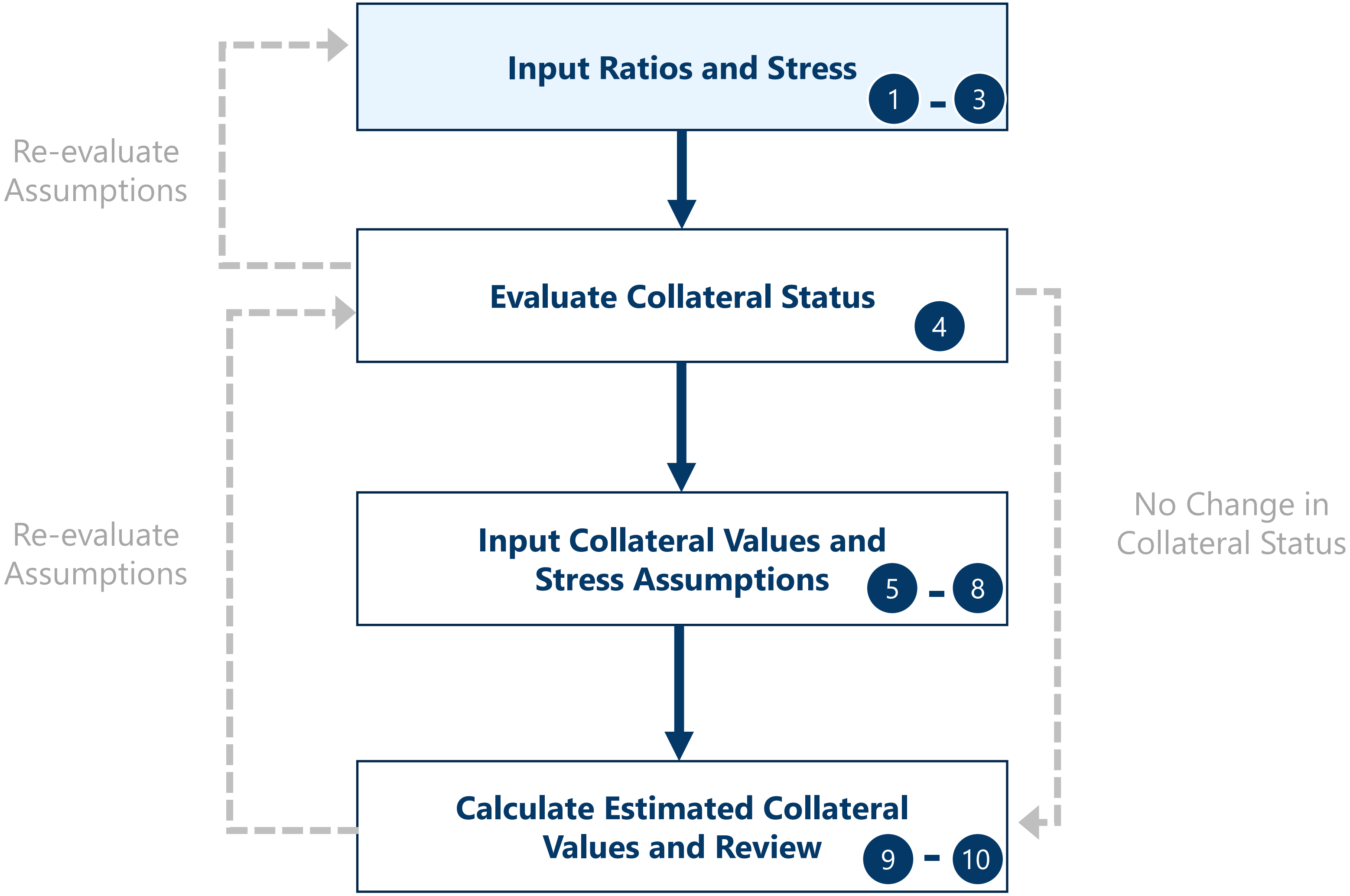
Time to begin Stress Testing!

MLSA 10-Step Summary



Remember to print your assessment results once complete

MLSA 10-Step Summary



Remember to print your assessment results once complete

MLSA Tool for Banks: Getting Started

Member Liquidity Stress Assessment

All estimated amounts below are not to be relied upon. Actual numbers may vary greatly. Reach out to your Member Sales Officer if more information is required.

Step-By-Step MLSA Quick Guide | Training | Print | Help

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION		- +	
Tier 1 Leverage Ratio (%) = SHOW CALCULATION		- +	
Liquidity Ratio (%) = SHOW CALCULATION	1	2 - +	
ROAA (%) = SHOW CALCULATION		- +	

Calculate Collateral Status

Calculate and Stress Ratios from Call Report

Member Liquidity Stress Assessment Tool: Estimated Stressed Ratios

Four calculated ratios from Call Report

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION		- +	
Tier 1 Leverage Ratio (%) = SHOW CALCULATION		- +	
Liquidity Ratio (%) = SHOW CALCULATION		- +	
ROAA (%) = SHOW CALCULATION		- +	

Calculate Collateral Status

Four calculated ratios from Call Report

Click the “SHOW CALCULATION” button to see Call Report items that make up ratios

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION		- +	
Tier 1 Leverage Ratio (%) = SHOW CALCULATION		- +	
Liquidity Ratio (%) = SHOW CALCULATION		- +	
ROAA (%) = SHOW CALCULATION		- +	

Past Due Loans (%) — COMPUTE

(RCON1407 + RCON1403 + RCON1406) / RCON2122 * 100

For 031 filer, substitute RCFD for RCON

Tier 1 Leverage Ratio (%) — COMPUTE

RCON3210

For 031 filer, substitute RCFD for RCON

Liquidity Ratio (%) — COMPUTE

(RCON0081 + RCON0071 + RCON1754 + RCON1773 + RCONB987 + RCONB989 + RCON3545 - RCON0416) / RCON2948 * 100

For 031 filer, substitute RCFD for RCON

ROAA (%) — COMPUTE

(RIAD4340 (Current Qtr)* - RIAD4340 (Last Qtr)) / RCON3368 * 4 * 100

For 031 filer, substitute RCFD for RCON

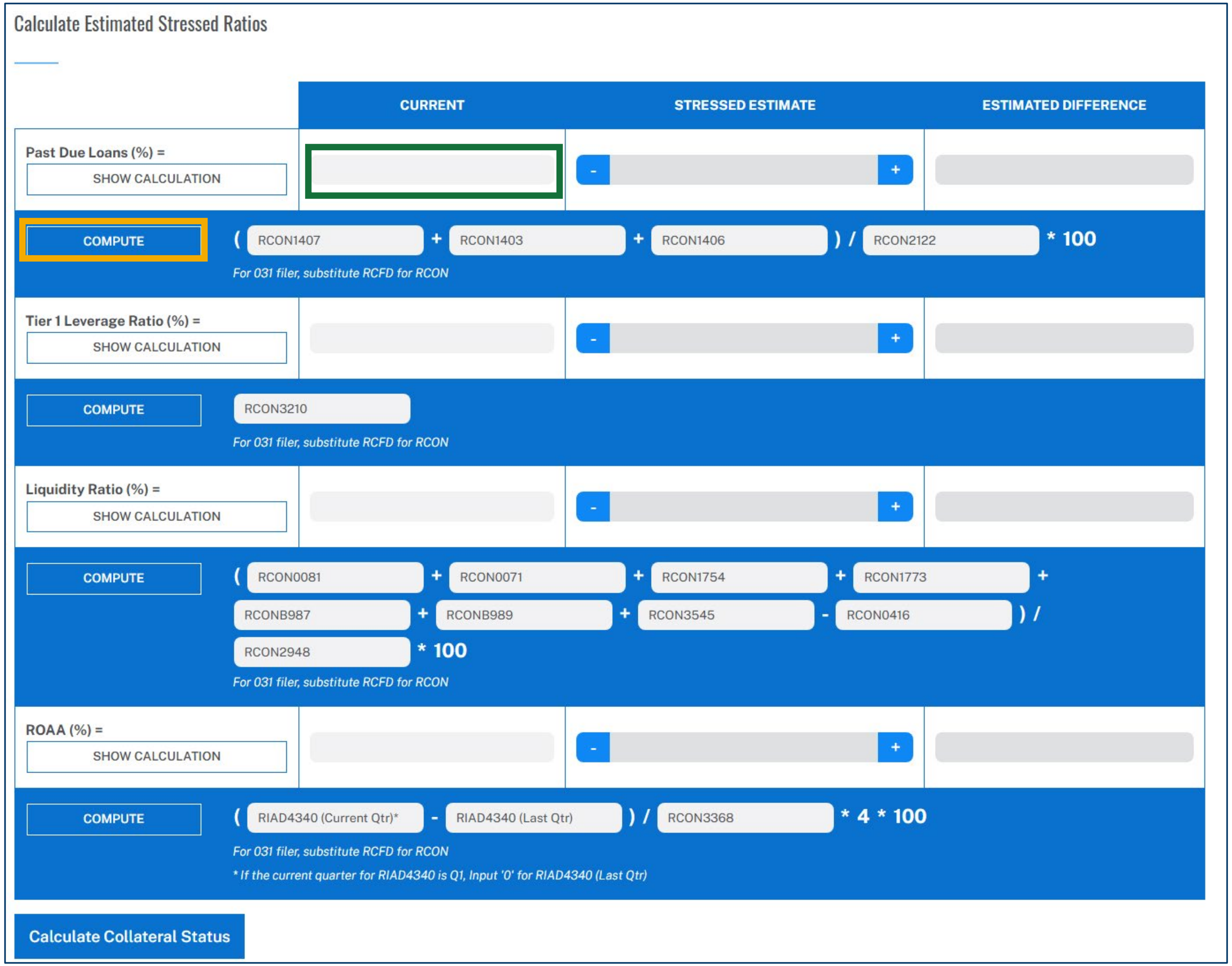
** If the current quarter for RIAD4340 is Q1, Input '0' for RIAD4340 (Last Qtr)*

Calculate Collateral Status

The RCON codes for the items in the Call Report that makes up the four ratios are shown in the input boxes highlighted.

Find these items in your Call Report and input them into their respective boxes

Calculating Key Ratios for the MLSA

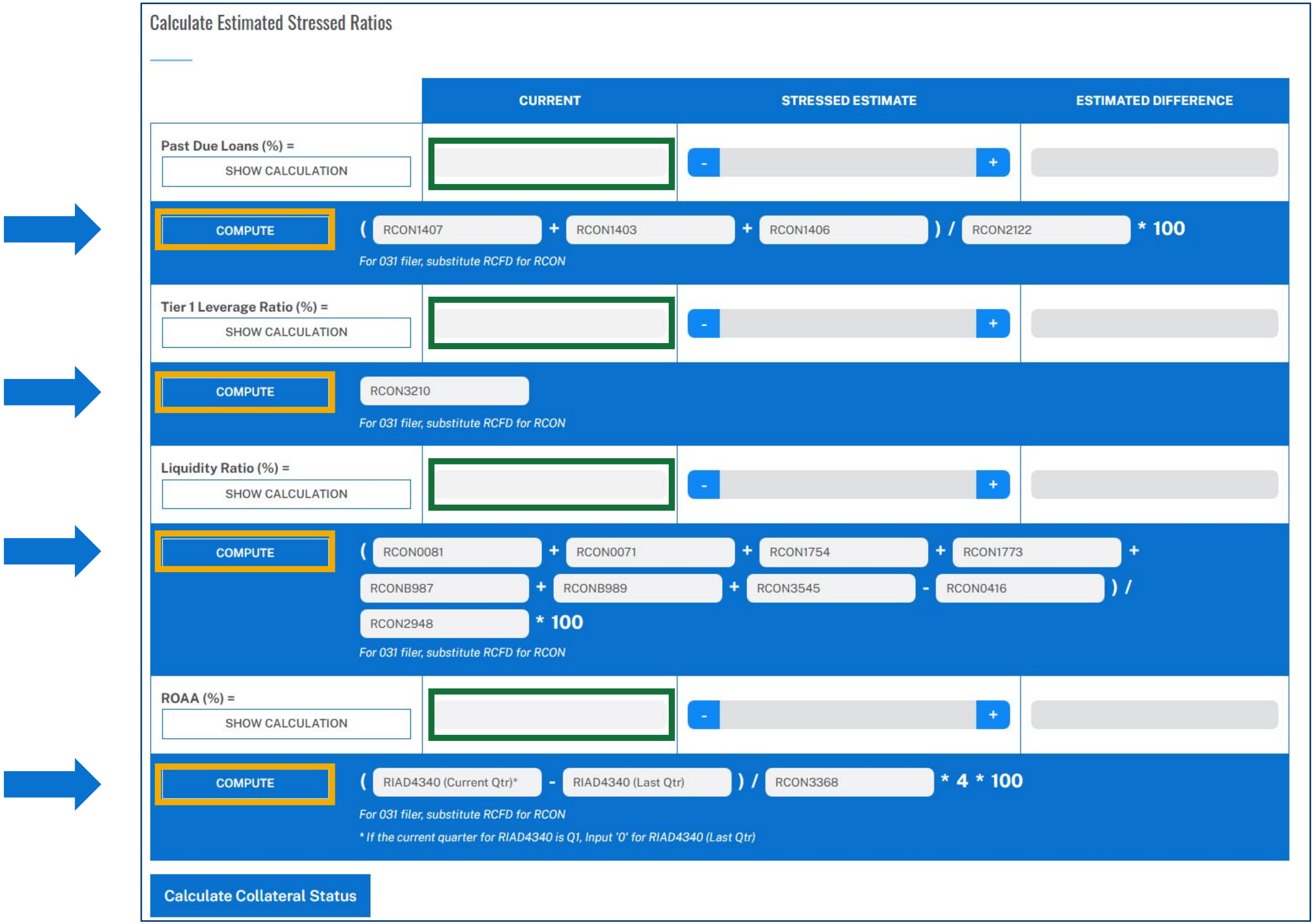


The RCON codes for the items in the Call Report that makes up the four ratios are shown in the input boxes highlighted.

Find these items in your Call Report and input them into their respective boxes

Click the "COMPUTE" button to calculate and automatically fill in the ratio input box

Calculating Key Ratios for the MLSA



The RCON codes for the items in the Call Report that makes up the four ratios are shown in the input boxes highlighted.

Find these items in your Call Report and input them into their respective boxes

Click the "COMPUTE" button to calculate and automatically fill in the ratio input box

Complete the same process for the other ratios

FHLBANK DALLAS

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION	2 SNL Keyfield: 205837	- 2 +	0
Tier 1 Leverage Ratio (%) = SHOW CALCULATION	12 SNL Keyfield: 250325	- 12 +	0
Liquidity Ratio (%) = SHOW CALCULATION	25 SNL Keyfield: 205709	- 25 +	0
ROAA (%) = SHOW CALCULATION	1 SNL Keyfield: 205663	- 1 +	0

Calculate Collateral Status

Four calculated ratios from Call Report

Click the “SHOW CALCULATION” button to see and input Call Report items that make up ratios

Alternatively, if you have SNL, you can use the SNL KeyField codes shown below each input field to get data for each of these fields and input them directly

Note that you will get a warning popup box if you input values that are outside normal parameters. You can still use the input values even if they are outside normal parameters

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION	2	- 7 +	-5
Tier 1 Leverage Ratio (%) = SHOW CALCULATION	12	- 10 +	2
Liquidity Ratio (%) = SHOW CALCULATION	25	- 15 +	10
ROAA (%) = SHOW CALCULATION	1	- 0.5 +	0.5

Calculate Collateral Status

Four calculated ratios from Call Report

Click the "SHOW CALCULATION" button to see and input Call Report items that make up ratios

Alternatively, if you have SNL, you can use the SNL KeyField codes shown below each input field to get data for each of these fields and input them directly

Note that you will get a warning popup box if you input values that are outside normal parameters. You can still use the input values even if they are outside normal parameters

Once the four current fields are filled in you can use the "+" and "-" buttons to stress these four ratios

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION	2	- 7 +	-5
Tier 1 Leverage Ratio (%) = SHOW CALCULATION	12	- 10 +	2
Liquidity Ratio (%) = SHOW CALCULATION	25	- 15 +	10
ROAA (%) = SHOW CALCULATION	1	- 0.5 +	0.5

Calculate Collateral Status

Four calculated ratios from Call Report

Click the "SHOW CALCULATION" button to see and input Call Report items that make up ratios

Alternatively, if you have SNL, you can use the SNL KeyField codes shown below each input field to get data for each of these fields and input them directly

Note that you will get a warning popup box if you input values that are outside normal parameters. You can still use the input values even if they are outside normal parameters

Once the four current fields are filled in you can use the "+" and "-" buttons to stress these four ratios

The highlighted boxes shows the difference between the current ratios and the stressed ratios

Calculating Key Ratios for the MLSA

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION	2	- 7 +	-5
Tier 1 Leverage Ratio (%) = SHOW CALCULATION	12	- 10 +	2
Liquidity Ratio (%) = SHOW CALCULATION	25	- 15 +	10
ROAA (%) = SHOW CALCULATION	1	- 0.5 +	0.5

Calculate Collateral Status

Calculate and Stress Ratios from Call Report

Stressing Collateral Values

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($)	$ 0.00	$ 0.00	$ 0.00

Notes

Stressing Collateral Values

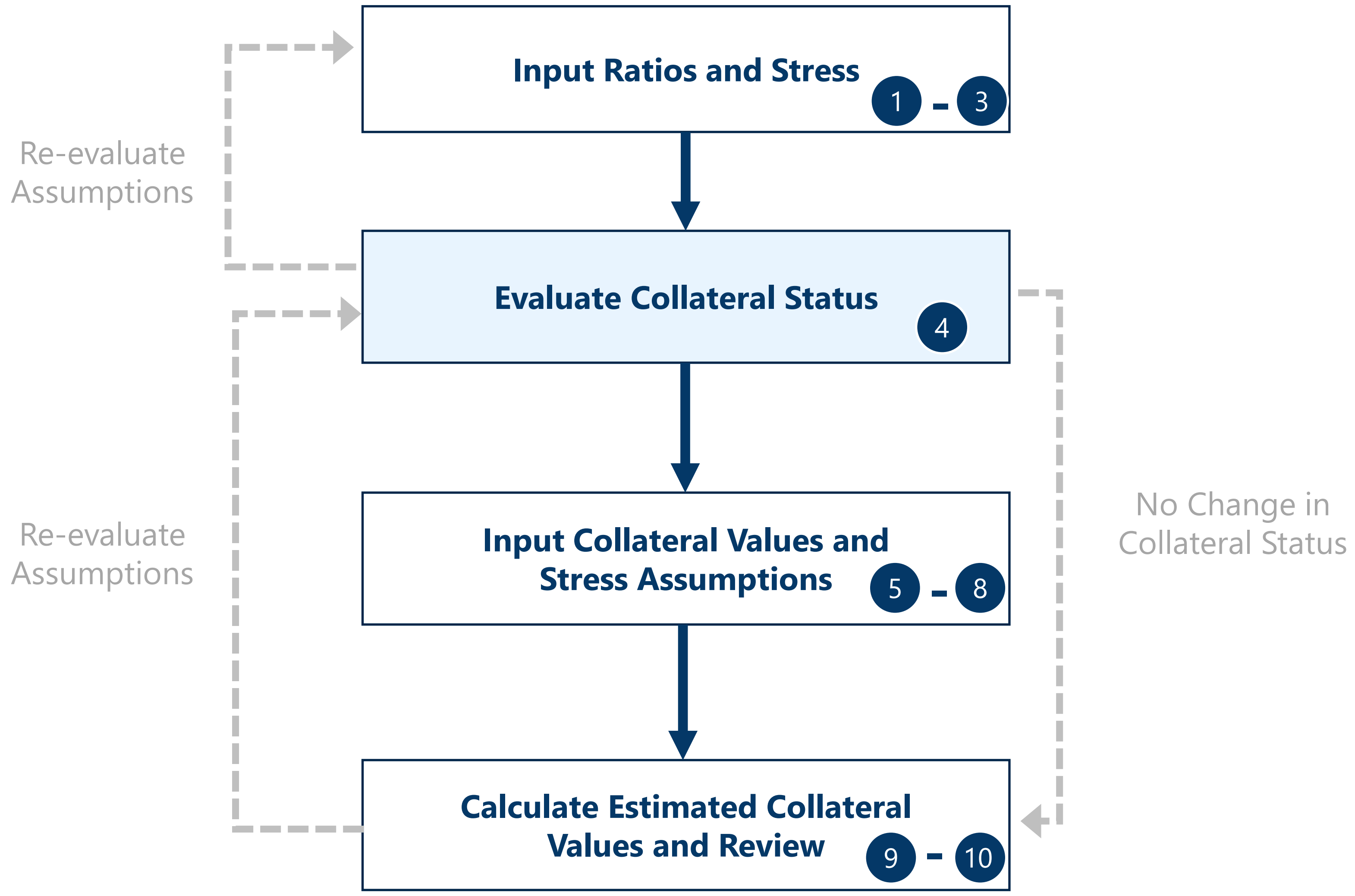
Calculate Collateral Status

3

Input "current" and calculate estimated "stressed" collateral values (click button at the bottom to calculate estimated difference)

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

MLSA 10-Step Summary



Remember to print your assessment results once complete

Stressing Collateral Values

Calculate Collateral Status

Input "current" and calculate estimated "stressed" collateral values (click button at the bottom to calculate estimated difference)

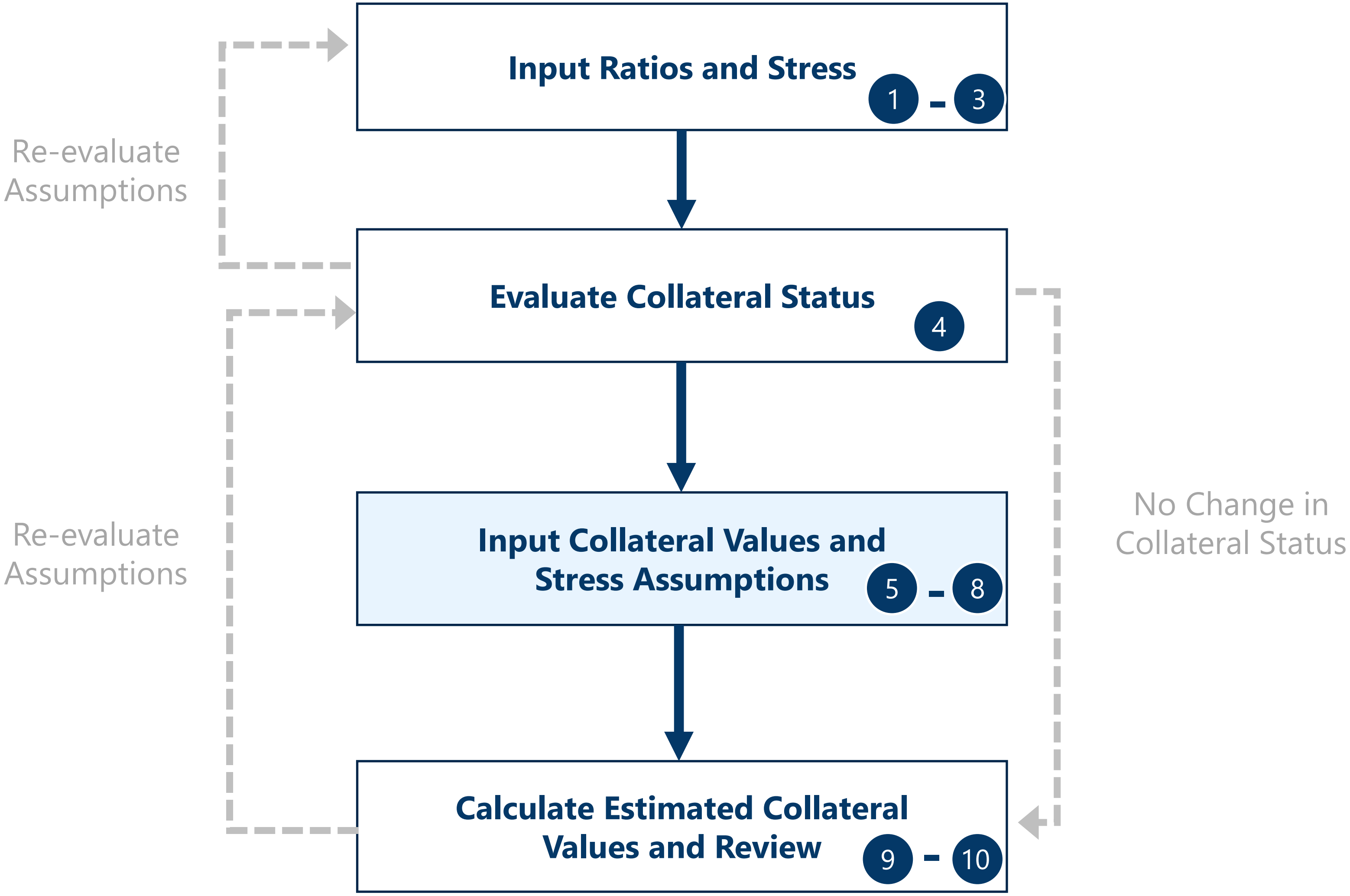
	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	4
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Click button to calculate collateral status based on inputs from the previous section and the amount stressed

Stressed Collateral Status

Current Collateral Status	Blanket	Custody	Restricted
Blanket	No Change	✓	✓
Custody		No Change	✓
Restricted			No Change

MLSA 10-Step Summary



Remember to print your assessment results once complete

Stressing Collateral Values

Calculate Collateral Status

Input "current" and calculate estimated "stressed" collateral values (click button at the bottom to calculate estimated difference)

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Click button to calculate collateral status based on inputs from the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Stressing Collateral Values

Calculate Collateral Status

Input "current" and calculate estimated "stressed" collateral values (click button at the bottom to calculate estimated difference)

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	4
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Current Blanket Lien Worksheet Report

```
FHLB (blktwksheet)          BLANKET LIEN STATUS WORKSHEET          Page No. 1

FHFA ID:                                   MEMBER TYPE:          CREDIT RATING:
TOTAL ASSETS:        $500,000,000             TIER 1 CAPITAL (T1C):         $50,000,000
FINANCIAL DATE:                    TRIAL BALANCE:           ONSITE VERIFICATION:

1) SINGLE FAMILY (RCON5367, CU703)                                          $100,000,000
Less: Participations                                                                  $0
      Adjustments                                                                     $0
      Delinquencies                                                                   $0
      Delivered Loans (Book Value)                                                    $0
Net Adjusted                                                                $100,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   75.00% x 85.00% x 95.00%
TOTAL SINGLE FAMILY                                                          $60,562,500

2)MULTIFAMILY (RCON1460)                                                      $1,000,000
Less: Delinquencies                                                                   $0
      Delivered Loans (Book Value)                                                    $0
Net Adjusted                                                                  $1,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   70.00% x 45.00% x 97.00%
TOTAL MULTIFAMILY                                                               $305,550
```

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Stressing Collateral Values

Calculate Collateral Status

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367) A	$ 100,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)	5	$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet) B	$ 60,562,500.00	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Current Blanket Lien Worksheet Report

```
FHLB (blktwksheet)              BLANKET LIEN STATUS WORKSHEET            Page No. 1

FHFA ID:                                            MEMBER TYPE:           CREDIT RATING:
TOTAL ASSETS:        $500,000,000                       TIER 1 CAPITAL (T1C):          $50,000,000
FINANCIAL DATE:                              TRIAL BALANCE:             ONSITE VERIFICATION:

1) SINGLE FAMILY (RCON5367, CU703)                                                  $100,000,000
Less: Participations                                                                          $0
      Adjustments                                                                             $0
      Delinquencies                                                                           $0
      Delivered Loans (Book Value)
Net Adjusted                                                                      A $100,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   75.00% x 85.0
TOTAL SINGLE FAMILY                                                                  $60,562,500 B

2)MULTIFAMILY (RCON1460)                                                              $1,000,000
Less: Delinquencies                                                                           $0
      Delivered Loans (Book Value)                                                            $0
Net Adjusted                                                                          $1,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   70.00% x 45.00% x 97.00%
TOTAL MULTIFAMILY                                                                       $305,550
```

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Fill in the input boxes with the A and B next to them with the matching data from the Blanket Lien Worksheet

Stressing Collateral Values

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	**BLANKET**	**CUSTODY**	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$ 100,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)		$ 90,000,000.00	6
Anticipated Rejection Rate %		25	7
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$ 60,562,500.00	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

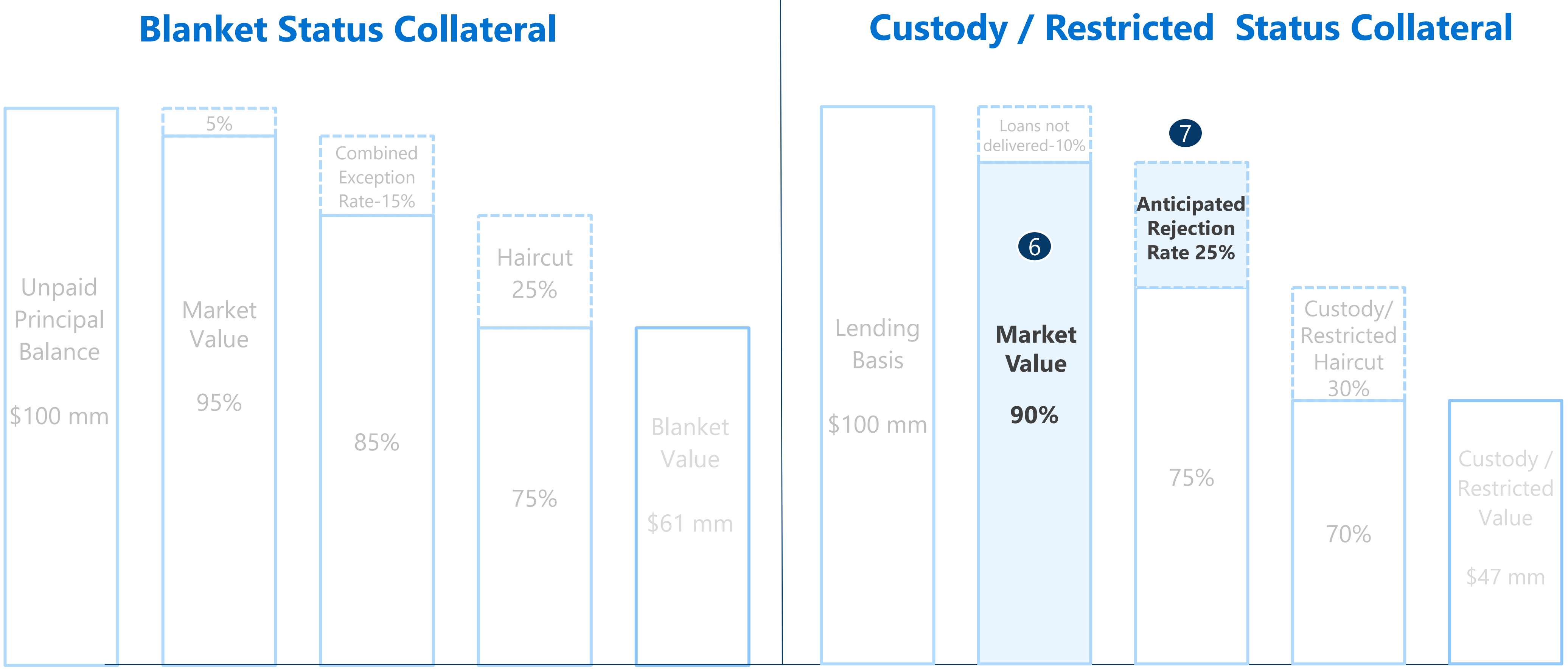
1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Fill in the input boxes with the A and B next to them with the matching data from the Blanket Lien Worksheet

These two boxes are for inputting the anticipated collateral amount delivered and the rejection rate under a stress scenario.

Collateral Valuation – Custody / Restricted



Stressing Collateral Values

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$ 100,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)		$ 90,000,000.00	
Anticipated Rejection Rate %		25	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$ 60,562,500.00	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Fill in the input boxes with the A and B next to them with the matching data from the Blanket Lien Worksheet

These two boxes are for inputting the anticipated collateral amount delivered and the rejection rate under a stress scenario.

Estimated Haircut percentage will be determined by the tool based on the stress scenario collateral status

Stressing Collateral Values

Calculate Collateral Status

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$ 100,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)		$ 90,000,000.00	
Anticipated Rejection Rate %		25	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$ 60,562,500.00	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$		
Anticipated Amount Listed or Delivered (Stressed)		$	
Anticipated Rejection Rate %		%	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$	$	$

These boxes will not populate until you complete step 9

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Fill in the input boxes with the A and B next to them with the matching data from the Blanket Lien Worksheet

These two boxes are for inputting the anticipated collateral amount delivered and the rejection rate under a stress scenario.

Estimated Haircut percentage will be determined by the tool based on the stress scenario collateral status

These boxes will show total accepted collateral under the stress scenarios and difference in collateral between current and stressed scenario

Stressing Collateral Values

Calculate Collateral Status

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Collateral Status	BLANKET	CUSTODY	
1) SINGLE-FAMILY			
Call Reports (RCON5367)	$ 100,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)		$ 90,000,000.00	
Anticipated Rejection Rate %		25	
Estimated Haircut %		0	
Total Single-Family (From Blanket Lien Worksheet)	$ 60,562,500.00	$	$
2) MULTIFAMILY			
Call Reports (RCON1460)	$ 1,000,000.00		
Anticipated Amount Listed or Delivered (Stressed)		$ 900,000.00	
Anticipated Rejection Rate %		50	
Estimated Haircut %		0	
Total Multifamily (From Blanket Lien Worksheet)	$ 305,550.00	$	$

8

Current Blanket Lien Worksheet Report

```
FHLB (blktwksheet)              BLANKET LIEN STATUS WORKSHEET              Page No. 1

FHFA ID:                                              MEMBER TYPE:          CREDIT RATING:
TOTAL ASSETS:        $500,000,000                       TIER 1 CAPITAL (T1C):        $50,000,000
FINANCIAL DATE:                        TRIAL BALANCE:                ONSITE VERIFICATION:

1) SINGLE FAMILY (RCON5367, CU703)                                                $100,000,000
Less: Participations                                                                        $0
      Adjustments                                                                           $0
      Delinquencies                                                                         $0
      Delivered Loans (Book Value)                                                          $0
Net Adjusted                                                                      $100,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   75.00% x 85.00% x 95.00%
TOTAL SINGLE FAMILY                                                                $60,562,500

2)MULTIFAMILY (RCON1460)                                                            $1,000,000
Less: Delinquencies                                                                         $0
      Delivered Loans (Book Value)                                                          $0
Net Adjusted                                                                        $1,000,000
Multiplied by Collateral Value% by 100%-(Ineligible% + Exception%)x Price   70.00% x 45.00% x 97.00%
TOTAL MULTIFAMILY                                                                     $305,550
```

Collateral status shown is based on inputs from the four ratios in the previous section and the amount stressed

8 types of acceptable collateral are assessed

1) Single Family
2) Multifamily
3) Commercial
4) Commercial Construction
5) Land Loans
6) Home Equity
7) Small Business
8) Small Farm

Collateral types in the tool match with your Blanket Lien Worksheet

Fill in the input boxes with the A and B next to them with the matching data from the Blanket Lien Worksheet

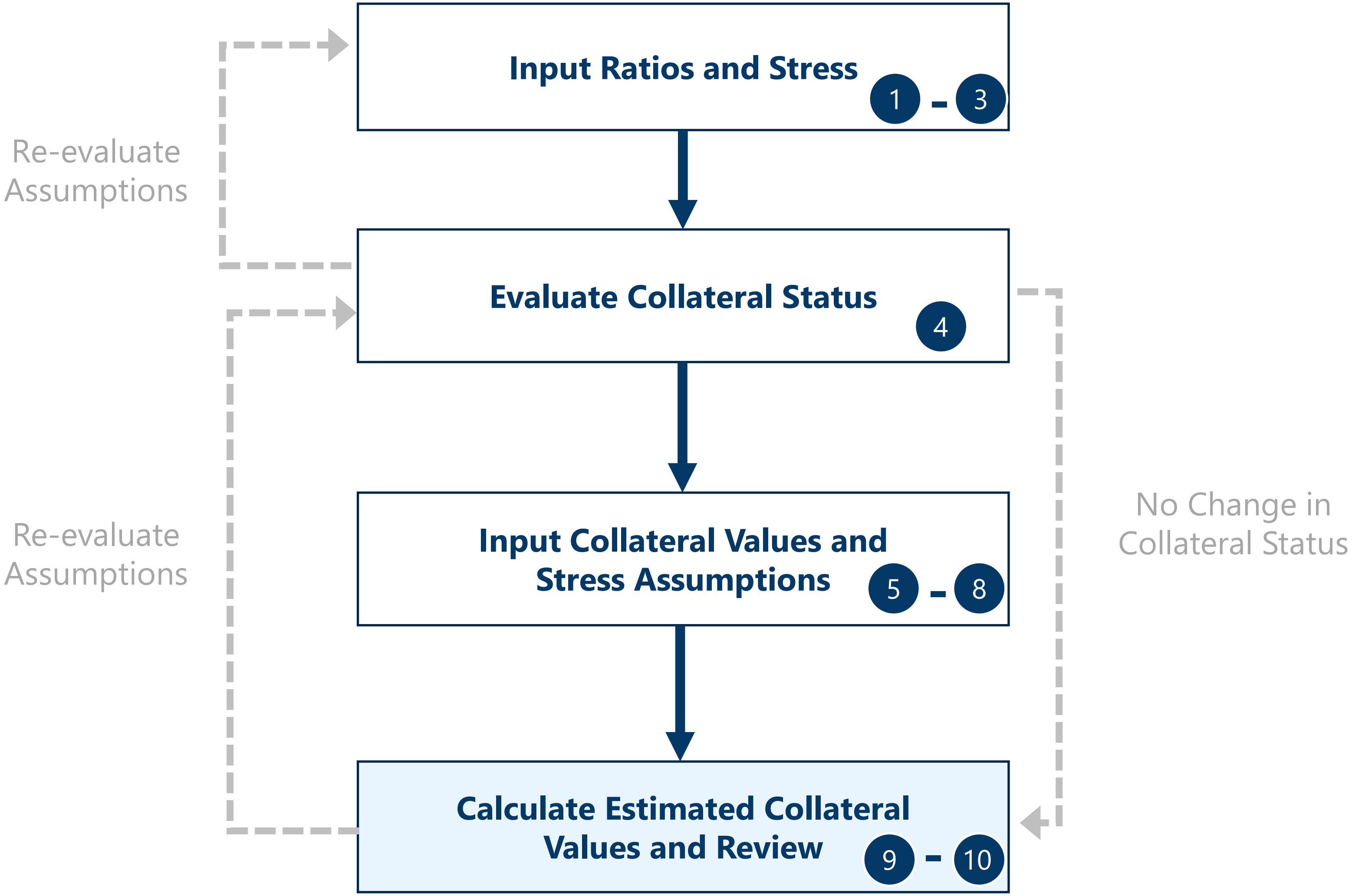
These two boxes are for inputting the anticipated collateral amount delivered and the rejection rate under a stress scenario.

Estimated Haircut percentage will be determined by the tool based on the stress scenario collateral status

These boxes will show total accepted collateral under the stress scenarios and difference in collateral between current and stressed scenario

Fill in the Multifamily section and 6 other collateral sections as applicable

MLSA 10-Step Summary



Remember to print your assessment results once complete

MLSA Tool for Banks

Calculate Estimated Stressed Ratios

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Past Due Loans (%) = SHOW CALCULATION	2	- 7 +	-5
Tier 1 Leverage Ratio (%) = SHOW CALCULATION	12	- 10 +	2
Liquidity Ratio (%) = SHOW CALCULATION	25	- 15 +	10
ROAA (%) = SHOW CALCULATION	1	- 0.5 +	0.5

Calculate and Stress Ratios from Call Report

Calculate Collateral Status

Stressing Collateral Values

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($)	$ 0.00	$ 0.00	$ 0.00

Notes

Review Potential changes in estimated collateral

Notes

Estimated Collateral Change

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

9

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($)	$ 0.00	$ 0.00	$ 0.00

Notes

Click the "Calculate Change in Total Collateral" button

Estimated Collateral Change

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($) 10	$ 60,868,050.00	$ 50,940,000.00	$ -9,928,050.00

Notes

Click the "Calculate Change in Total Collateral" button

Shows current total collateral based on inputs from previous sections

Estimated Collateral Change

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($) 10	$ 60,868,050.00	$ 50,940,000.00	$ -9,928,050.00

Notes

Click the "Calculate Change in Total Collateral" button
Shows current total collateral based on inputs from previous sections
Shows stressed total collateral based on inputs from previous sections

Estimated Collateral Change

Review potential changes in estimated collateral (click button to calculate new scenario)

Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($) 10	$ 60,868,050.00	$ 50,940,000.00	$ -9,928,050.00

Notes

Click the "Calculate Change in Total Collateral" button
Shows current total collateral based on inputs from previous sections
Shows stressed total collateral based on inputs from previous sections
Difference between current and stressed total collateral

Estimated Collateral Change

Review potential changes in estimated collateral (click button to calculate new scenario)

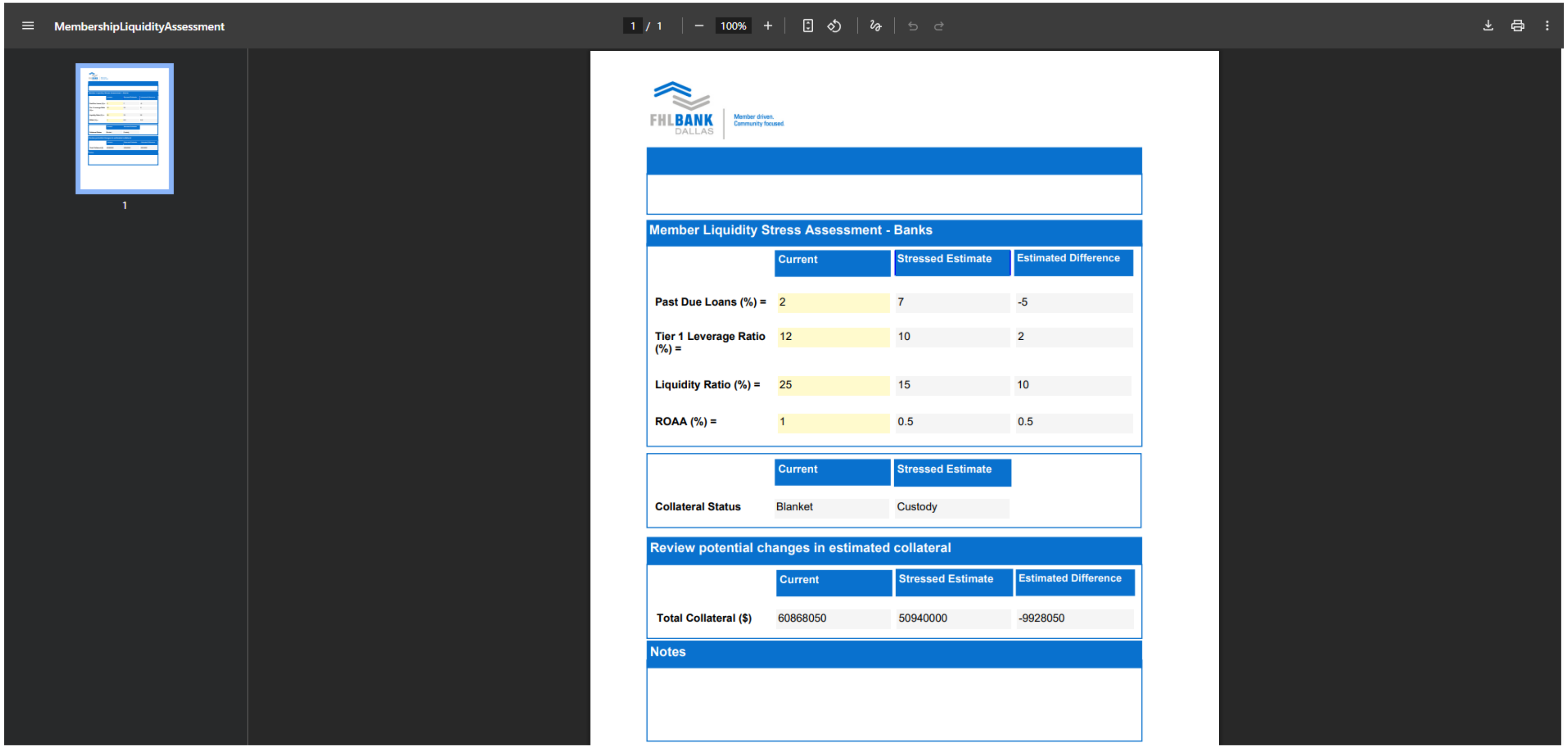
Calculate Change in Total Collateral

	CURRENT	STRESSED ESTIMATE	ESTIMATED DIFFERENCE
Total Collateral ($) 10	$ 60,868,050.00	$ 50,940,000.00	$ -9,928,050.00

Notes

Click the "Calculate Change in Total Collateral" button
Shows current total collateral based on inputs from previous sections
Shows stressed total collateral based on inputs from previous sections
Difference between current and stressed total collateral
Notes Section

Don’t Forget to Print Results (at top of page)



FHLBANK DALLAS Member driven. Community focused.

Member Liquidity Stress Assessment - Banks

	Current	Stressed Estimate	Estimated Difference
Past Due Loans (%) =	2	7	-5
Tier 1 Leverage Ratio (%) =	12	10	2
Liquidity Ratio (%) =	25	15	10
ROAA (%) =	1	0.5	0.5

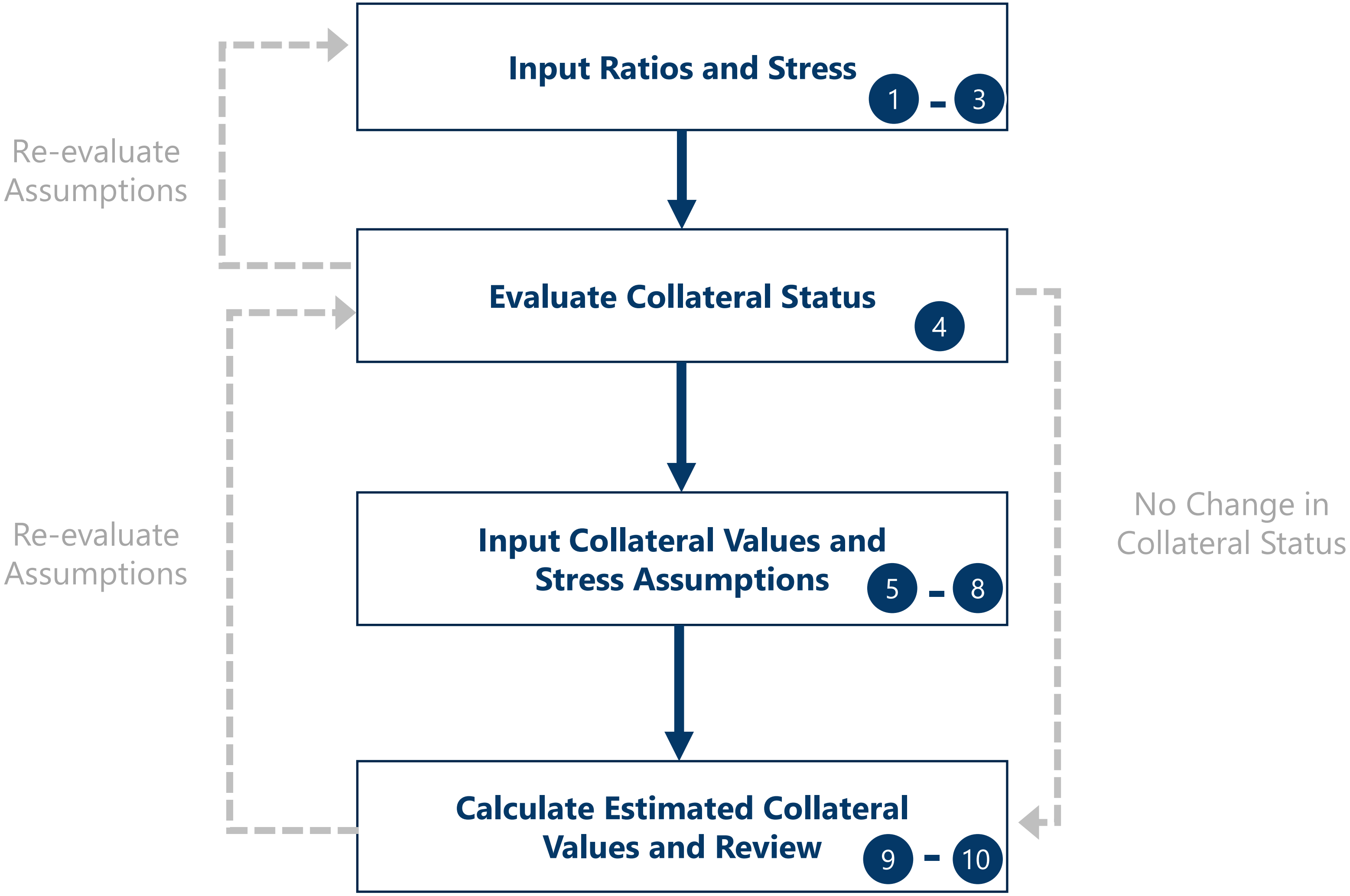
	Current	Stressed Estimate
Collateral Status	Blanket	Custody

Review potential changes in estimated collateral

	Current	Stressed Estimate	Estimated Difference
Total Collateral ($)	60868050	50940000	-9928050

Notes

MLSA 10-Step Summary



Remember to print your assessment results once complete

Key Takeaways

- If your collateral status changed from “blanket” to “custody”.
  - Think through what loans you can realistically deliver in custody status (i.e. small loans may not be economical, already know you will need additional documentation for some loans).
  - Your combined exception rate (blanket) is not the same thing as the anticipated rejection rate (custody/restricted).
  - Past delivery experience, if applicable, can help you establish your anticipated rejection rate.

- Do not use the MLSA to forecast upgrades in collateral status or collateral value.

- The MLSA is only as good as the assumptions you input.

- **The Bank is here for you and can provide assistance**.

- If you have ANY questions please contact us.

For additional information, please contact your Member Sales Officer or Member Solutions at:

☎ 1.844.345.2265

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💻 https://www.fhlb.com/mlsa