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Application for Certification

Housing Associates



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Instructions for Application Housing Associates

Note: The information contained in this Application for Certification (Housing Associates) (“Application”) is collected for use by the Federal Home Loan Bank of Dallas (“Bank”). The Bank will submit such information to its Board of Directors (“Board”) or the Board’s designee to enable the Board or such designee to make a decision with respect to this Application.

- 1) Please submit the original completed Application to the Bank.
- 2) In addition to completing the attached Application, please submit the following documents:
 - A) Please provide a copy of the Housing and Urban Development (“HUD”) letter stating that the Federal Housing Administration of HUD has approved the Applicant as a mortgagee under title II of the National Housing Act (12 U.S.C. § 1707, et seq.).
 - B) Please provide evidence to establish that the Applicant is subject to inspection and supervision by a governmental agency (e.g., statutory or regulatory provisions relating to the Applicant’s inspection and supervision by a governmental agency)
 - C) Please provide evidence that the Applicant’s principal activity in the mortgage field consists of lending its own funds (e.g., funds from bond issuance, etc.).
 - D) Please provide evidence that (i) the Applicant is a government agency or (ii) the Applicant is chartered as a corporation or other entity that has rights, characteristics and powers under applicable law similar to those granted a corporation (e.g., statutory or regulatory provisions under which the Applicant was created). Please provide a copy of the Applicant’s Articles of Incorporation or equivalent formation document and any amendments or modifications thereto.
 - E) If the Applicant is a “state housing finance agency” as defined in 12 C.F.R. § 1264.1, please provide evidence that the applicant is a “state housing finance agency” as defined in 12 C.F.R. § 1264.1 (e.g., statutes and/or regulations describing the Applicant’s structure and responsibilities).
 - F) The Applicant must furnish an opinion of outside legal counsel opining that each statutory requirement for the Applicant to become a housing associate of the Bank is met and the basis for such conclusion. These requirements, which are set forth in 12 U.S.C. § 1430b and 12 C.F.R. part 1264, are as follows: the Applicant must (i) be a mortgagee approved under title II of the National Housing Act (12 U.S.C. § 1707, et seq.); (ii) be a chartered institution having succession; (iii) be subject to the inspection and supervision of some governmental agency; and (iv) be an institution whose principal activity in the mortgage field consists of lending its own funds. If the Applicant is a “state housing finance agency” as defined in 12 C.F.R. § 1264.1, the opinion of outside legal counsel should also opine that the applicant is a “state housing finance agency” as defined in 12 C.F.R. § 1264.1.
 - G) Copy of the most recent regulatory audit, examination report, or external audit report.
 - H) Copy of the most recent audited financial statements and management letter, as prepared by a certified public accountant or in absence thereof, the most recent Directors’ Examination or Review by external auditors. In the absence of the foregoing, an internal audit report should be submitted. If no audit is available, published financial statements should be submitted with management certification that the statements are prepared according to GAAP.
 - I) A copy of the Applicant’s residential mortgage loan policy and underwriting guidelines.
 - J) Please complete the following documents included in this Application:
 - Applicant Information
 - General Information
 - Housing Associate Advance Certification

- Certificate of Management
- Board of Directors Resolution

Please contact the Bank's Member Sales Group to obtain copies of Bank legal documents and signature cards, which the Applicant must also complete for access to all Bank products and services.

3) For additional assistance, please contact:

Member Sales Group
Toll Free: 800-442-9841
Fax : 214-441-8551
E-mail: lend@fhlb.com

4) Please forward the completed Application and accompanying documentation to:

By Mail:

Member Sales Group
Federal Home Loan Bank of Dallas
P. O. Box 619026
Dallas, Texas 75261-9026

By Courier:

Member Sales Group
Federal Home Loan Bank of Dallas
8500 Freeport Parkway South, Suite 100
Irving, Texas 75063-2547





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Applicant Information

Name of Applicant: _____

(Exact name as shown on Organization Certificate or equivalent formation document)

Charter Address (Physical): _____

City: _____ State: _____ Zip + 4: _____

Mailing Address: _____

City: _____ State: _____ Zip + 4: _____

Phone number: (____) _____ Fax Number: (____) _____

Federal Tax ID Number: _____ Fiscal Year-End: _____

Charter Number: _____ Regulator (if applicable): _____

Holding Company: _____

Name: _____

Physical Address: _____

City: _____ State: _____ Zip + 4: _____

Primary Contact for Membership Application (If contact's address is different from mailing address above, please note on a separate sheet.)

Name: _____

Title: _____ e-mail address: _____

Contacts for Financial Information (If contact's address is different from mailing address above, please note on a separate sheet.)

Advances/Credit Statements: _____

Title: _____ e-mail address: _____

Deposit Account Statements: _____

Title: _____ e-mail address: _____

Safekeeping Statements: _____

Title: _____ e-mail address: _____

For Federal Home Loan Bank Use Only:

Date: _____ Cust. ID # _____

DDA Acct # _____ FHFA ID # _____

General Information

Applicant Name: _____

- 1) If owned by a holding company, what were its consolidated assets (including subsidiaries) at the end of the most recent quarter? \$ _____
- 2) List all subsidiaries and affiliates (including any holding companies) and indicate their primary activities and the states and dates of incorporation (attach separate sheet if necessary).

Subsidiary/Affiliate	Primary Activities	State and Date of Incorporation

- 3) Please provide a listing of all branch office locations on a separate sheet(s).
- 4) Has the Applicant ever been a member of the Federal Home Loan Bank System? Yes* No
 *If yes, please indicate of what Federal Home Loan Bank it was a member and when: _____
- 5) What regulatory agency performed the most recent regulatory audit or examination report or external audit report and when was it performed?

- 6) If not discussed in the loan policy and if the Applicant is active in the secondary market, please indicate what underwriting guidelines are used and any federal programs for which the Applicant is an approved lender (i.e. FHA/VA, FHLMC, FNMA, USDA, SBA). _____
- 7) If the Applicant has any assets pledged to a third party, please provide details on a separate sheet.
- 8) Please select the type of organization that describes the Applicant:
 - State Housing Finance Agency _____
 - County Housing Finance Agency _____
 - City Housing Finance Agency _____
 - Tribal Housing Corporation _____
 - Housing Development Corporation _____
 - Other _____
 (If "Other" please list the type of organization and give a brief description on a separate sheet.)

Housing Associate Advance Certification

The undersigned housing associate, which qualifies for advances from the Federal Home Loan Bank of Dallas (the "Bank") pursuant to Section 10(b) of the Federal Home Loan Bank Act (12 U.S.C. § 1430b) and 12 C.F.R. part 1264, in connection with its application for an advance from the Bank hereby certifies to the Bank that:

- 1) If the undersigned is a "state housing finance agency" as defined in 12 C.F.R. § 1264.1 and wishes to use as security for an advance the collateral described in 12 C.F.R. § 1266.17(b)(2), the proceeds of the advance will be used for the purpose of facilitating residential or commercial mortgage lending that benefits individuals or families meeting the income requirements set forth at 26 U.S.C. § 142(d) or 143(f).
- 2) The undersigned will notify the Bank promptly of any change in its status as a housing associate.
- 3) The undersigned will provide the Bank with such evidence that it continues to satisfy all of the eligibility requirements of the Federal Home Loan Bank Act and 12 C.F.R. part 1264 as may be requested by the Bank from time to time.

Date

Name of Housing Associate

Signature of Authorized Officer *[printed or typed]*

Title of Authorized Office

Certificate of Management

I, _____ (Name), certify that I am the duly elected, qualified and acting _____ (Title) of _____ (Name of Applicant) ("Applicant") and that I have the authority to act on behalf of the Applicant's Board of Directors/Trustees. I further certify that the statements and representations, which are made below, are true and correct to the best of my knowledge and belief; and that I have made all necessary reviews and inquiries of the Applicant's and its related parties' books and records, and officers, employee and agents before making this certification to assure that it is full and complete.

For the purposes of this certification, the term "related entity" shall mean Applicant's management officials; any individual or entity that controls or is controlled by or is under common control with the Applicant; and any other entity that is controlled by any of the Applicant's management officials. An individual or entity shall be presumed to have control of a company or organization if the individual or entity directly or indirectly, or acting in concert with one or more individuals or entities, or through one or more subsidiaries, owns or controls the management or policies of an entity or person.

"Management officials" shall mean those individuals within Applicant's organization who have substantial responsibility for the direction and control of Applicant's policies and operations. They include but are not limited to:

- 1) a director or senior officer; or
- 2) a controlling person, which means any person or entity which directly or indirectly, or acting in concert with one or more persons or entities owns or controls 25% or more of the voting shares or rights of the Applicant.

Except as disclosed on the attached Schedule(s), if any, neither the Applicant nor any of its related entities:

- 1) Is subject to, or operating under, any enforcement action instituted by its appropriate regulator;
- 2) Is the subject of any criminal, civil or administrative proceedings reflecting upon creditworthiness, business judgment, or moral turpitude;
- 3) Is the subject of any known potential criminal, civil or administrative monetary liabilities, material pending lawsuits or unsatisfied judgments that are significant to the Applicant's operations;
- 4) Is the subject of any known criminal, civil or administrative proceedings in which any of them is alleged to have engaged in a fraudulent activity or has been charged with the commission of a felony or which seeks a remedy that would prevent or materially interfere with Applicant's ability to continue its business;
- 5) Is currently excluded from any federal procurement or non-procurement program or participation in any program of the Department of Housing and Urban Development;
- 6) Is subject to an unsatisfied final judgment in favor of the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Office of Thrift Supervision, or Resolution Trust Corporation;
- 7) Is a party to a lawsuit in which any regulatory agency is seeking recovery in excess of \$50,000 from the Applicant or any related entity;
- 8) Is subject to a consent agreement, or administrative or judicial order of removal or prohibition preventing Applicant or any related entity from participating in the affairs of any insured depository institution or federal or state regulated business or enterprise;

(continued)

- 9) Has caused a substantial loss in excess of \$50,000 in total to a federal deposit insurance fund;
- 10) Has been convicted of a felony; or
- 11) Has been denied membership in a Federal Home Loan Bank for any reason.

[Indicate the number of attached sheets] _____

Date

Signature of Authorized Officer

Name of Authorized Officer *[printed or typed]*

Title of Authorized Office





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UCC Pre-Filing Authorization

In connection with the Application for Membership in Federal Home Loan Bank of Dallas (“Secured Party”) and the grant of a security interest by _____ (“Debtor”) in certain of its assets, Debtor hereby authorizes Secured Party to file a financing statement (“Financing Statement”) naming Debtor as “debtor” and indicating the collateral set forth on Exhibit A attached hereto. Secured Party may file the Financing Statement in all offices it deems appropriate.

Debtor acknowledges and agrees that nothing contained in this letter nor Secured Party’s filing of the Financing Statement shall be construed as an agreement or commitment on the part of Secured Party to approve Debtor for membership in Secured Party or grant extensions of credit to Debtor.

Date

Signature of Authorized Officer

Name of Authorized Officer *[printed or typed]*

Title of Authorized Officer

EXHIBIT A

Collateral Description for Financing Statement

All of Debtor's right, title and interest in and to the following, whether now owned or existing or hereafter owned, acquired, or arising by Debtor, wherever located:

- 1) **First Mortgage Collateral.** All First Mortgage Documents and all ancillary security agreements, policies and certificates of insurance or guarantees, chattel paper, electronic chattel paper, evidences of recordation, applications, underwriting materials, appraisals, notices, opinions of counsel, loan servicing data, and all other electronically stored and written records or materials relating to the loans evidenced or secured by First Mortgage Documents. "First Mortgage Documents" shall mean all first mortgages and deeds of trust relating to one-to-four family residential dwellings and multifamily residential dwellings and all promissory notes, bonds, or other instruments evidencing loans securely thereby and any endorsements and assignments thereof to the Debtor.
- 2) **Other Real Estate Related Collateral.**
 - (i) All other items of real estate related collateral, including without limitations, all mortgages, deeds of trust, and security agreements relating to loans secured by commercial property, home equity loans, home improvement loans, subordinate loans, mortgage warehouse lines of credit, real estate construction loans, and other real estate related loans, and (A) all promissory notes, bonds, or other instruments evidencing such loans and lines of credit, (B) any endorsements and assignments thereof to the Debtor, and (C) all ancillary security agreements, policies and certificates of insurance or guarantees, chattel paper, electronic chattel paper, evidences of recordation, applications, underwriting materials, appraisals, notices, opinions of counsel, loan servicing data, and all other electronically stored and written records or materials relating to the loans evidencing or secured thereby, excluding First Mortgage Collateral Securities (as defined below), Small Business Collateral (as defined below), and Small Farm and Agri-Business Collateral (as defined below);
 - (ii) All property relating to the Debtor's management, collection, processing, accounting for, monitoring, or servicing of loans and accounts, including, without limitation, all checks, instruments, documents, certificates, agreements, loan accounts, payments, chattel paper, electronic chattel paper, collections, account statements, computer files, records, promissory notes, endorsements, assignments, and loan servicing data, together with the rights, remedies, and powers related thereto; and
 - (iii) All participants in or portions of First Mortgage Collateral and other real estate related collateral as set forth in clause (i) above.
- 3) **Capital Stock.** All of the capital stock of the Secured Party held by the Debtor and all payment that have been or hereafter are made on account of subscriptions to and all declared and unpaid dividends on such capital stock.
- 4) **Deposit Accounts.** All of the deposit accounts of the Debtor with the Secured Party, including, with limitation, all cash and other funds therein.
- 5) **Securities.** All mortgage-backed securities (including participation certificates) issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Corporation, or the Government National Mortgage Association, obligations of or guaranteed by the United States, United States government agency securities, privately-issued residential mortgage-backed securities, and all other investment property delivered or furnished to the Secured Party from time to time.
- 6) **Small Business Collateral.** All loans to persons or entities owning or operating small businesses and all promissory notes, mortgages, deeds of trust, security agreements, bonds, instruments, endorsements, assignments, policies and certificates of insurance, guarantees, evidences of recordations, applications, underwriting materials, appraisals, notices, opinions of counsel, loan servicing data, electronically stored and written records, agreements, chattel paper, electronic chattel paper, and documents relating to, evidencing, or securing such loans.

- 7) **Small Farm and Agri-Business Collateral.** All loans to persons or entities owning or operating small farms or agri-businesses and all promissory notes, mortgages, deeds of trust, security agreements, bonds, instruments, endorsements, assignments, policies and certificates of insurance, guarantees, evidences of recordations, applications, underwriting materials, appraisals, notices, opinion of counsel, loan servicing data, electronically stored and written records, agreements, chattel paper, electronic chattel paper, and documents relating to, evidencing, or securing such loans.
- 8) All property in which the Debtor has heretofore granted a security interest or has assigned, transferred, or pledged to the Secured Party as collateral for advances prior to the date hereof.
- 9) All other property as may be accepted by the Secured Party as collateral from time to time pursuant to an agreement between the Debtor and the Secured Party.
- 10) All payment intangibles related to items 1 through 9 above.
- 11) All securities representing undivided equity interests in any of items 1 through 9 above.
- 12) All accessions to, substitutions for, and replacements and products of all items 1 through 11 above.
- 13) All proceeds, cash proceeds, and noncash proceeds of all items 1 through 12 above, including, without limitation, any of items 1 through 12 above that are acquired with any cash proceeds of items 1 through 12 above.



Board of Directors Resolution

I, _____ (Name), certify that I am the duly elected, qualified, and acting _____ (Title) of _____ (Name of Applicant) ("Applicant") and that I have the authority to act on behalf of the Applicant's Board of Directors/Trustees. I further certify that at a regular meeting of the Applicant's Board of Directors/Trustees or at a special meeting thereof called for that purpose, a quorum being present, the following resolutions were adopted, and recorded in the minutes as follows:

"BE IT RESOLVED that this institution applies for certification as a housing associate of the Federal Home Loan Bank of Dallas (the "Bank") and that it be fully authorized to do business with, and exercise all of the privileges of certification as a housing associate in the Bank as provided in the Federal Home Loan Bank Act (the "Act").

BE IT FURTHER RESOLVED that in connection with the application for certification as a housing associate of the Bank, this institution has reviewed the requirements of 12 C.F.R. Part 1264 and has provided to the best of this institution's knowledge the most recent, accurate and complete information available;

BE IT FURTHER RESOLVED that this institution will promptly supplement the application for certification as a housing associate of the Bank with any relevant information that comes to this institution's attention prior to the Bank's decision on whether to approve or deny the application for certification, and if the Bank's decision is appealed pursuant to 12 C.F.R. § 1264.6, prior to resolution of any appeal by the Federal Housing Finance Agency (the "Finance Agency");

BE IT FURTHER RESOLVED that this institution consents to such examinations as the Bank or the Finance Agency may require for purposes of the Act;

BE IT FURTHER RESOLVED that this institution agrees that reports of examinations by local, state or federal agencies or institutions may be furnished by such authorities to the Bank or the Finance Agency upon request;

BE IT FURTHER RESOLVED that this institution agrees to give the Bank or the appropriate Federal banking agency, upon request, such information as the Bank or the appropriate Federal banking agency may need to compile and publish cost of funds indices and to publish other reports or statistical summaries pertaining to the activities of Bank housing associates;

BE IT FURTHER RESOLVED that this institution agrees to provide the Bank with copies of reports of condition and operations required to be filed with the institution's appropriate Federal banking agency, if applicable, within 20 calendar days of filing, as well as copies of any annual report of condition and operations required to be filed; and

BE IT FURTHER RESOLVED that the president and secretary be authorized and directed to execute an application for certification as a housing associate as prescribed by the Finance Agency and any other papers and documents required in connection therewith, to pay all expenses, and to do all other things necessary or proper in connection with applying for, obtaining and retaining such certification privileges thereof as the Finance Agency may prescribe by regulations."

I further certify that, pursuant to said resolution, the foregoing application for certification as a housing associate was duly executed and that any information and documents required by the Finance Agency are attached or accompany the same, that said information is correct and said documents are true and correct copies of what the same purport to be.

Date

Signature of Authorized Officer

Name of Authorized Officer *[printed or typed]*

Title of Authorized Office

