



Member driven.
Community focused.

Loan Pledging Instructions

November 2018



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About Us

Federal Home Loan Bank of Dallas (“Bank”) is a cooperatively owned wholesale bank created by the Federal Home Loan Bank Act that supports housing and economic development in the communities served by its Borrowers. The Bank’s five-state district includes Arkansas, Louisiana, Mississippi, New Mexico, and Texas. Borrowers can access a number of the Bank’s products and services online through [SecureConnect](#).

Loan Collateral

The Bank provides its Borrowers with a variety of banking services including the ability to pledge loan collateral (blanket, delivery, or listing) to secure new or existing obligations, increase borrowing capacity, or improve financial position. Loans pledged to the Bank will be subject to a review for eligibility as set forth in the [Loan Collateral Eligibility Requirements](#). The types of eligible loan collateral are as follows:

Description	FHLB Code	Call Report Code
Single Family Residential Loans	SF	RCON5367, CU703, CDFI5367, INS SF
Held for Sale Loans	SF	RCONHT84 (closed end 1 st lien loans only)
Multi Family Residential Loans	MF	RCON1460, INS MF, CU703
Commercial Real Estate Loans	CM	RCONF160, RCONF161, INS CM
Land / Commercial Construction Loans	LD	RCONF159, RCON1420
Agricultural Loans – CFI Members only	FM	RCON1590
Small Business Loans – CFI Members only	SB	RCON1766, RCON1763
Home Equity Loans	HE	RCON5368, RCON1797, CU386

The Bank applies collateral value percentages up to the amounts listed in the [Member Products and Credit Policy \(“MPCP”\)](#) among other factors to calculate the collateral value of pledged loans. For more information on how collateral is valued by the Bank, please see the [Collateral Valuation Guide](#).

Loan Delivery Instructions

Borrowers delivering loans to the Bank must submit an electronic data file and the physical loan file with supporting loan documentation to be considered for loan collateral value. The Bank routinely monitors data submitted by the member during the monthly update process to ensure the loan continues to meet established eligibility criteria.

Delivered Loan Documentation

The Bank requires original documents of the Promissory Note, Allonge and Assignments of Mortgage which should be shipped to the following address:

Federal Home Loan Bank of Dallas (FHLB)
Attn: Vault Operations
8500 Freeport Parkway, Suite 100
Irving, TX 75063

Documents that are not required in original form can be submitted as copies via courier or secure EFT transfer to the Bank. Please contact Collateral Services at vault@fhlb.com to set up a secure EFT account for submitting loan documents electronically.

Loan Documentation Checklist

Loan Number: _____

Mortgager Name: _____

LFI, CFI, CU, & INS			LFI & CFI		CFI			Mortgager Name: _____	
SF	MF	CM	CC	LD	SB	FM			
RCON5367 CU703 CDFI5367 INS SF	RCON1460 CU703MF INS MF	RCONF160 RCONF161 CU703CM INS CM	RCONF158	RCON1420 RCONF159	RCON1763 RCON1766	RCON1590		HIGHLIGHTED ITEMS APPLY ONLY TO LOUISIANA PROPERTIES ONLY- See additional documents below	
X	X	X	X	X	X	X	1	Promissory Note (original) – signed by borrowers	
X	X	X	X	X	X	X	2	Note endorsement or Allonge (org) – signed by officer w/blank assignee If note not originated by member –need complete endorse chain	
X	X	X	X	X	X	X	3	Power of Attorney – original or recorded copy – execution prior to or same date of documents	
X	X	X	X	X	X	X	4	Assumption agreement (original or recorded copy) – if applicable	
X	N/A	N/A	N/A	N/A	N/A	N/A	5	HUD– 1 settlement statement or Closing Statements	
X	N/A	N/A	N/A	N/A	N/A	N/A	6	1008 and 1003 or any loan document reflecting terms, type & purpose	
X	N/A	N/A	N/A	N/A	N/A	N/A	7	Truth in lending for SFR non-business purpose	
X	X	X	X	X	N/A	N/A	8	Mortgage / DOT (recorded copy) – all pages & riders	
N/A	X	X	X	X	N/A	N/A	9	Assignment of Mortgage / DOT executed with blank assignee	
X	X	X	X	X	X	X	10	Renewals / extensions / modifications (original or copy recorded doc)	
								All renewals, extensions, modifications since loan origination.	
								Mod agreement accompanied by new note – new Endorsement/Allonge	
X	X	X	X	X	X	X	11	Final title policy/final attorney’s opinion (copy) w/correct legal w/in 6 months, mortgage protection insurance, title search, title abstract for SFR loans \$250,000 or less w/in 6 months	
X	X	X	X	X	X	X	12	Appraisal dated w/in 12 months of closing or updated, if CM, need NOI	
								If current balance < \$250,000 - a valuation w/stated value & legal description	
								If current balance > \$250,000 – full appraisal per FIRREA/USPAP	
								If current balance < 100k – tax statement or other valuation	
Subject to completion provide update, recertification, Cert. of OCC or hazard insurance with dwelling coverage									
X	X	X	N/A	N/A	N/A	N/A	13	Phase 1 environment - if appraisal requires, or underground storage tanks exist. Alternative acceptable measures: Cert from State that property is complaint w/environmental laws and regulation, Professional inspection of a State registered property indicating site is free from contamination, State registered property w/o an inspection but has environmental insurance covering hazardous contamination	

LFI, CFI, CU, & INS			LFI & CFI		CFI	
SF	MF	CM	CC	LD	SB	FM
RCON5367 CU703 CDFI5367 INS SF	RCON1460 CU703MF INS MF	RCONF160 RCONF161 CU703CM INS CM	RCONF158	RCON1420 RCONF159	RCON1763 RCON1766	RCON1590
N/A	X	X	N/A	N/A	N/A	N/A
X	X	X	X	N/A	N/A	N/A
X	X	X	X	N/A	X	X
N/A	N/A	N/A	N/A	N/A	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	N/A	N/A	N/A	N/A	N/A	N/A
X	X	X	N/A	N/A	N/A	N/A

Loan Number: _____

Mortgager Name: _____

14	Property inspection – NON-Single Family Loans > \$1.500,000 unpaid balance and appraisal value older than 60 months
15	Flood insurance (copy) per appraisal located in flood hazard area Must be current & reflect member as loss payee Meet UPB or max \$250k for single family properties and \$500k for commercial properties
16	Hazard insurance (copy) must be current and reflect member as loss payee
17	UCC (copy) / title of ownership (original) for NON-RE
18	Assignment of rents & leases (recorded copy) required for income producing
19	Last 12 months pay history
20	Credit underwriting documents, i.e., credit report(s), tax return(s), financial statements, verified income (pay stubs, or verification of employment)
21	Debt service coverage for income producing properties must be = > than 1.05% and LTV < 85% for all NON-single family loans

Specific Documents Coll Mtg/ Multiple Indebtedness Mortgage - LA Properties Only

X	X	X	X	X	X	X	22	Collateral Mortgage (recorded copy) Promissory or "hand" Note - secured by and must equal Coll Mtg Note Collateral Mortgage Note (original)- must equal loan amount Collateral Pledge Agreement / Acknowledge of Security Interest in Coll Mtg Note
X	X	X	X	X	X	X	23	Multiple Indebtedness Mortgage (MIM) (recorded)
X	X	X	X	X	X	X	24	Reinscription (recorded) – required every 10 years from date of initial recording
N/A	X	X	X	X	X	X	25	Assignment of Mortgage (non-SF loans) executed with blank assignee Collateral Mortgage - Use LA notarial endorsement & Assignment of Mortgage Multiple Indebtedness (MIM) - Use Assignment of Secured Obligations & Multiple Indebtedness form
X	X	X	X	X	X	X	26	Final title policy / final attorney's opinion (copy) Must identify property described in mortgage & appraisal Must include Collateral Mortgage or MIM end (if new money)

Electronic File Submission for Delivered Loans (Delivery Add File)

The electronic data file contains descriptive information about each loan being delivered and must be submitted in conjunction with the physical loan file. 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 Delivery tab. The add file should be submitted in Comma Delimited (csv) format. See below for more information on the data requirements:

Column	Column Heading / Label	Data Required / Optional	Format/Required Data	Data Description
A(1)	Member data run date	Required	format: date - mm/dd/yyyy	No Blanks – leave as defaulted - must remain as shown
A(2)	Member ID#	Required	format: text (5 numeric)	No Blanks – leave as defaulted - must remain as shown
A(3)	Member Name	Required	format: text (40 alphanumeric)	No Blanks – leave as defaulted - must remain as shown
B(1)	Loan Data Date	Required	format: date - mm/dd/yyyy	Enter the run date of your loan data mm/dd/yyyy
B(2)	FHLB ID #	Required	format: text (5 numeric)	Enter your FHLB ID #
B(3)	Institution Name	Required	format: text (40 alphanumeric)	Enter your Institution Name (40 alphanumeric character space maximum)
All column headings for Loan data must remain on line 4, Actual loan data begins at line 5.				
A	Loan Number	Required - all loans - No Blanks – No Duplicates	format: text (max 30 alphanumeric)	If your system requires multiple fields to create a unique loan number (Customer ID/Note ID; etc.), consolidate these identifiers into a single unique identifying number ⁽¹⁾
B	Call Report	Required - all loans No Blanks	format: text (max 10 alphanumeric)	Call Report RCON# - See HAIRCUT section for appropriate call report code
C	Mortgagor Name	Required - all loans No Blanks	format: text (80 alphanumeric)	Name of the borrower
D	Address 1	Required – for Real Estate category loans only	format: text (100 alphanumeric)	Street address of the real estate securing the loan May only be Blank on Non Real Estate Call Report Category (RCON1763/66; RCON1590)
E	Property City	Required – for Real Estate category loans only	format: text (30 alphanumeric)	City of the real estate securing the loan. May only be Blank on Non Real Estate Call Report Category (RCON1763/66; RCON1590)

Column	Column Heading / Label	Data Required / Optional	Format/Required Data	Data Description
F	State Code	Required – for Real Estate category loans only	format: text (2 alphanumeric)	Postal state abbreviation of the real estate securing the loan (2 alpha character space maximum) May only be Blank on Non Real Estate Call Report Category (RCON1763/66; RCON1590)
G	Property Zip	Required – for Real Estate category loans only	format: text (10 alphanumeric)	Zip code of the real estate securing the loan ^{(1) (2) (3)} (Examples: 76123 or 01234-1010)
H	Original Amount	Required - all loans No Blanks	format: number 0.00 (numeric)	Original Principal Balance of the loan
I	Unpaid Principal	Required - all loans No Blanks No Negative amounts	format: number 0.00 (numeric)	Current outstanding principal balance <i>Participations: Any participated loan must be represented with a single entry in the data. Report participation balance (gross or net) as reported in your Call Report.</i>
J	Appraised Value	Required – all loans	format: number 0.00	Appraised value of the property
K	Origination Date	Required - all loans No Blanks	format: date - mm/dd/yyyy	Loan origination date.
L	Acquisition Date	Optional	format: date - mm/dd/yyyy	Provide only if the loan was acquired or purchased from another entity. Acquisition date cannot be earlier than the Origination Date
M	Maturity Date	Required - all loans No Blanks	format: date - mm/dd/yyyy	Maturity date cannot be earlier than the Origination Date
N	Next Pymt Due Date	Required - all loans No Blanks	format: date - mm/dd/yyyy	Next Payment Due Date – Date of next system payment
O	P & I Payment	Required - all loans No Blanks	format: number 0.00 (numeric)	Current principal & interest payment (or interest-only payment amount, when applicable).
P	Current Int Rate	Required - all loans No Blanks	format: decimal (5 numeric) Example: (.10875, .08750)	Current loan interest rate. Do not enter data as a %.
Q	Collateral Code	Required - all loans No Blanks	format: text (12 alphanumeric)	Code used in your system to denote the type of collateral securing the subject loan.
R	Collateral Code Definition	Required - all loans No Blanks	format: text (60 alphanumeric)	Definition label corresponding to the Collateral Code indicated in Column Q.
S	Member Identified Inelig	Required - all loans No Blanks	format: text Y or N	Member elects to have the loan identified as ineligible for inclusion in the Blanket borrowing capacity.

Column	Column Heading / Label	Data Required / Optional	Format/Required Data	Data Description
T	Lien Position?? Jr Lien	Required - all loans No Blanks	format: text Y or N	The member has knowledge that the subject loan is a junior lien.
U	Also Hold 1 st ?	Required only if Column T is answered "Y"	format: text Y, N or U	Required only if subject loan is known to be a junior lien as reflected with a "Y" in Column T. (Y = subject loan is a junior lien (as indicated in column T) and your institution also holds the first lien on the same collateral) (N = subject loan is a junior lien (as indicated in column T) and your institution does not hold the first lien on the same collateral) (U = subject loan is a junior lien (as indicated in column T) and it is unknown if your institution holds the first lien on the same collateral)
V	Criticized	Required - all loans No Blanks	format: text Y or N	Subject loan is Classified as Substandard, Doubtful, Loss or partially Charged Off.
W	DOEA	Required - all loans No Blanks	format: text Y or N	Borrower is a Director, Officer, Employee, Agent or Attorney of your institution or any affiliate / subsidiary of your institution or of FHLB Dallas
X	WHSE	Required - all loans No Blanks	format: text Y or N	Subject loan is a short term revolving line of credit facility extended to a mortgage loan originator for the funding of mortgage loans.
Y	HFS	Required - all loans No Blanks	format: text Y or N	Subject loan is held by your institution for the express purpose of selling into the secondary market. <i>Include both originated and acquired loans.</i>
Z	HFS % Owned	Required only if Column Y is answered "Y"	format: percentage with 3 decimal places. Example: (99.000; 100.000. (do not include % sign)	Required only if subject loan is identified as Held for Sale as reflected with a "Y" in Column Y. Enter the percentage of the subject loan currently owned by your institution.
AA	PARTICIPATION	Required - all loans No Blanks	format: text B, S, or X	Subject loan Involves a Bought or Sold Participation interest. (B = subject loan is a Bought Participation) (S = subject loan is a Sold Participation) (X = subject loan is not a Participation) <i>Show any loan having both bought and sold participations as Bought in this review data. Any participated loan must be represented with a single entry in the data. Do not list both the master note and the participated portion. Report participation balance (gross or net) as reported in your Call Report.</i>

Column	Column Heading / Label	Data Required / Optional	Format/Required Data	Data Description
AB	Participating Entity	Required only if Column AA is answered "B" or "S"	30 character space maximum)	Required only if the subject loan is identified as a Participation as indicated by a B or S in Column AA. Enter the name of the participating lender.
AC	Member Holds Note	Required - all loans No Blanks	format: text Y or N	Member has physical possession of original paper Note signed by borrower when the loan was originated. Electronic notes do not meet this requirement. Scanned / Imaged notes do not meet this requirement.
AD	Pledged to Other	Required - all loans No Blanks	format: text Y or N	Loans which have been pledged, in part or in whole, to any party other than FHLB Dallas.
AE	Acq Thru Bulk Sale	Required - all loans No Blanks	format: text Y or N	Loans acquired by your institution through an FDIC/NCUA assisted transaction or through a bulk purchase transaction from another institution.
AF	FHLB Coll Value Type	Required – all loans No Blanks		Enter the appropriate 2-character value type: SF = Single Family reported in RCON5367 or CU703 MF = Multi-Family reported in RCON1460 or CU703 CM = Commercial Real Estate reported in RCONF160, F161, or CU703 CC = Residential Construction reported in RCONF158 LD = Commercial Const./Land/Land Development/Farmland reported in RCON1420 or RCONF159 HE = Single Family Junior Lien reported in RCON5368 or Single Family Revolving Line of Credit reported in RCON1797, CU386 SB = Non Real Estate Commercial & Industrial reported in RCON1766/1763 FM = Non Real Estate Agricultural reported in RCON1590
AG	Payment Type	Required – all loans	format: text (3 Alphanumeric)	Enter "FIX"
AH	Property County	Required – all loans	format: text (25 Alphanumeric)	County which the property resides
AI	Note Status	Required – all loans	format: text "C"	"C" for Custody

*The file should be saved as a Comma Delimited (csv).

Loan Listing 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	30 alphanumeric positions, left justified. (1)
B – Call Report	Call Report Line Item refer to HAIRCUT section above.
C – Payment Type	Payment Type for Listing Loans is “LST”
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 (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.)
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> .

Loan Collateral Reports

Borrowers can review their loan portfolio in [Secure Connect](#) through the utilization of the report menu. This will provide easy access to current data on loan values, maturities, delinquencies or problem loans that need corrections. The following are a list of available reports:

- **Collateral Portfolio Report**
 - Lists of loans, assessed value, current unpaid principal balance, loan maturity, next payment due date and last update date.
- **Collateral Detail Report**
 - List of all loans separated by loan type, and by sequence number.
 - Eligible Loans (Accepted); Loans Under Review (In Process IP); Loans with Deficiencies (Problem PB loans); Ineligible Loans (NE).
 - Current Unpaid Principal Balance.
 - Loan Value assessed for each loan delivered.
- **Problem Loan Report**
 - Total number of PB loans with amount of Unpaid Principal Balances receiving no value.
 - List of outstanding Events (conditions) preventing value.
- **Zero Loan Value Report**
 - List of all delivered loans receiving no value.
 - Including reason loans are not receiving value.

Loan Coding and Potential Loss of Value

Upon receipt of the electronic add file, the loans are reviewed for eligibility. Each loan is assigned a status as follows:

- In Process (IP) – loan has been added to our system, but not reviewed and is in the process of being completed.
- Acceptable (AC) - loan is deemed eligible and value is assigned accordingly.
- Problem Loan (PB) - loan file has errors, or there are issues with the documentation and an event is created to explain how to resolve the issue.
- Ineligible (NE) – loan has been identified to be ineligible and unable to receive value.
 - Loans to Directors, Officers, Employees, Agents, Attorneys of the Member or FHLB Dallas
 - Loans Adversely Classified, Substandard, doubtful, loss or on nonaccrual, in bankruptcy or other non-performing status
 - Loans where the Member is not in possession of the original promissory Note (or FHLB-approved Bailee Letter for held for sale loans only).
 - Loans secured by junior liens behind another lender's first lien.
 - Loans secured by 1-4 family, multifamily or commercial real estate which have an outstanding PACE (Property Assessed Clean Energy) lien if the PACE lien is superior to the mortgage pledged to FHLB and the combined loan-to-value (unpaid principal of the mortgage pledged to FHLB plus the unpaid balance of the PACE lien) exceeds 100%, or if the PACE loan unpaid balance cannot be determined.
 - Single Family Loans with CLTV/LTV greater than 100%, or Non Single Family loans with a CLTV/LTV greater than 85%.
 - Delinquency greater than 30+ days on Non-Single Family Loans.

Members who deliver or 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 Bank will provide an electronic data file template containing outstanding collateral information. This template is located in the Collateral Update section of [Secure Connect](#). The Borrower will provide updated loan information in this electronic data file and submit it to the Bank via [Secure Connect](#). The following table indicates the electronic data file requirements as detailed below:

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

Loan Collateral Update Reports

Members can review their loan portfolio in [Secure Connect](#) through the utilization of the reports menu. This will provide easy access to current data on loan values, maturities, delinquencies or problem loans that need corrections. The following are a list of reports available to members:

- [Pledged Loans Updated](#)
 - Reflects loans that successfully updated from the submission.
- [Omissions to be Reviewed](#)
 - Reflects loans that are on the Bank's system and were not included on the submission.

Loan Delivery Fees

Type	Add Price	Return Price
Single Family Residential Loans	\$4 per item	\$8 per item
Multifamily Residential Loans	\$4 per item	\$8 per item
Commercial Real Estate Loans	\$10 per item	\$8 per item
Land/Commercial Construction Loans	\$10 per item	\$8 per item
Agricultural Loans	\$10 per item	\$8 per item
Small Business Loans	\$10 per item	\$8 per item
Home Equity Loans	\$4 per item	\$8 per item

Loan Listing Fees

Type	Add Price	Return Price
Listed Loans	\$2 per item	\$1 per item

Other Processing Fees

Type	Price
Inspections	\$140 (Standard) for improved, Non-Single Family loans with balances over \$1,500,000. \$200 (Rush) for improved, Non-Single Family loans with balances over \$1,500,000.
Updates	\$25 per update file processed by some means other than Secure Connect

For links to additional resources (see page 2)
To request a Welcome Package please contact Collateral Services:
Office: (800) 541-0597, Option 2
Fax (214) 441-8108
Email: vault@FHLB.com