1-4 FAMILY RESIDENTIAL HOME EQUITY MORTGAGE LOANS
This Eligibility Checklist assists pledgors who have executed the appropriate Advances, Pledge and Security Agreement in determining eligibility of loans for pledging to FHLB Des Moines. A "**NO**" answer indicates the loan is not eligible under FHLB Des Moines guidelines.

GE	GENERAL ELIGIBILITY	YES	NO
	The requirements of this checklist are specific to the collateral type shown above. Additional Eligible Member Collateral requirements common to pledged loan collateral are identified in Collateral Procedures and the General Eligibility Checklist. The preparer should have familiarity with all eligibility guidance prior to proceeding with eligibility determination via this checklist.		

PN	PROMISSORY NOTE	YES	NO
1.	**Note Execution**: Executed with proper signatories and capacities as authorized by any applicable borrowing resolution/other authority.		
2.	**Loan Terms**: Maturity Term ≤ 40 years measured from first payment date following origination or last modification. Principal & interest payments required.		
3.	**Disbursement**: Loan is fully disbursed and non-revolving.		
4.	**Participation:** Loan is not participated or a participation interest.		
5.	**Borrower:** Credit Report obtained with the loan's origination; Primary borrower credit score (FICO) > 660. • The primary borrower is the borrower with the highest income. • The determining credit score is lowest score if two scores are listed; middle score if multiple scores listed of the primary borrower. If no FICO obtained, the loan is ineligble if DTI > 43% or not assessed. • If no credit report obtained, the loan is ineligble.		

SI	SECURITY INSTRUMENT: Mortgage (or Deed of Trust) and/or Security Agreement	YES	NO
1.	**Security Instrument Existence:** Note is secured with an unexpired mortgage recorded in the proper jurisdiction. Mortgage and mortgage modifications are recorded, original or copy in file. Recorded mortgage or a copy of is in file. Loan disbursements are supported by the security instrument type (e.g. closed end, future advance).		
2.	**Note Security:** Mortgage (or collateral property) is linked to/cited as security for subject note.		
3.	**Secured Party Citation**: Mortgage directly cites member (or pledgor on behalf of member) as secured party or via recorded assignment.		
4.	**Instrument Execution**: Mortgage is properly executed and acknowledged: • By all title holders/owners of record including spouses if required by state law (fractional or undivided interests not acceptable). If title is vested in a former name, affidavit of identity or similar notation on mortgage required. • Non-natural persons: Executed by and in proper capacity(s) per authorizing documentation. • 3rd Party Pledge/Secured Guarantee/Hypothecation Agreement: Executed by and in proper capacity(s) and acknowledged as security for subject loan or borrower. • Mortgage notarized acknowledging signers in proper capacity.		
5.	**Secured Debt Amount**: Amount equals or exceeds loan's current unpaid principal balance (UPB).		
6.	**Assumptions:** For assumed loans, executed assumption agreement is recorded.		

LV	LIEN VERIFICATION	YES	NO

1. **Lien Search Existence**: Evidenced lien search of the encumbered property (e.g. title policy, attorney's opinion, O&E/title report, or detailed internal lien search).
   - Lien Protection Products (LPP) in lieu of traditional title work are acceptable for loans with credit lines ≤ $250,000 subject to the requirements in Lien Protection Product Guidelines.
2. **Lien Search Date and Quality**: Execution by all titleholders, legal description of encumbered property, recordation, and lien position (lien search must assess all potential prior liens).
   - **Non-Blanket APSA Members:**
     - Post Closing with recorded mortgage
   - **Blanket APSA Members:**
     - Post Closing with recorded mortgage, or
     - Pre Closing obtained with the loan's origination with recorded mortgage & prior lien recorded satisfaction(s)
   - **Exceptions:**
     - Loans with UPB ≤$250,000: Minimum Pre Closing lien search obtained with the loan's origination; prior lien pay off documentation ensuring requisite lien position.
     - Loans originated within 6 months of Collateral Reporting Date: Pre Closing obtained with the loan's origination while post-closing lien search is finalized.
3. **Lien Position:** Lien search cites subject mortgage as **first or second** lien**;** all other prior mortgage and non-mortgage liens are released**.**
   - Property Taxes/Other Subsequent Liens: Taxes and assessments not past due one year or more. Not subordinated to Property Assessed Clean Energy (PACE) or other liens.
   - Prior Ground Leases: Mortgages primed by ground lease not eligible unless recorded ground lease subordination or Non-Disturbance and Attornment Agreement executed by lessor.
   - Leasehold Mortgage: File evidences lessor consent, leasehold interest property valuation and lease maturity equal ≥ note maturity. Assignments of leasehold interests are not eligible.
   - For purchase 2nd money mortgages, evidence of title conveyance is required.

CV	COLLATERAL CONDITION and VALUATION	YES	NO

1. **Collateral Property Type and Conditions**: Secured by a habitable, four season 1-4 family dwelling(s) located in the U.S. or its territories.
   - Manufactured Homes: Pledged dwelling meets real property definition under applicable state law.
   - Mixed Use Property: Value of dwelling > 50% of total property value.
   - Condition/Use/Occupancy: Property is not deteriorated, contains unremediated recognized environmental conditions or used (including via leasing rights) for matters which imperil value or encumbrance. Use is lawfully permissible by all federal, state and local regulations. Property is not currently vacant.
   - Property Insurance: Loans with UPB ≥ $5,000,000, file evidences property insurance for benefit of pledgor with coverage sufficient for the improved property.
   - Ineligible Property Type: Not type listed in Collateral Procedures Section 2.2.
2. **Valuation Existence and Requirements**: Depository Members: Valuation in compliance with member's regulatory requirements. Nondepository Members: Certified appraisal is required unless prior arrangements have been agreed.
3. **Qualifying LTV (QLTV)**: Note: See General Eligibility Checklist for QLTV definition.
   - Owner Occupied: ≤ 90% (≤100% with assignable Mortgage Insurance)
   - Non Owner Occupied: ≤ 85% (≤100% with assignable Mortgage Insurance)

   Exceptions: Loans in excess of the above limits but ≤100% qualifying LTV are eligible if:
   - Bank/Thrifts: Compliant with the regulatory percentage of capital limitations and reporting requirements for loans in excess of Supervisory LTVs.

- Credit Unions: As permitted by internal policy limits; subject to concentration risk monitoring for High LTV loans (if required by NCUA supervision).
- CDFI/HA: Member or housing associate is eligible for a credit capacity of 30% of total assets.

AP	ANTI-PREDATORY LENDING	YES	NO
1.	**Anti-Predatory Lending**: Complies with FHLB Des Moines Anti-Predatory Lending Policy		

Loan is eligible for pledging as 1-4 Family Residential Home Equity Mortgage Loan collateral:	YES	NO
Completed By/Date:		