SECURED AGRI-BUSINESS 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**: • Amortizing loans: Maturity Term ≤ 40 years measured from first payment date following origination or last modification. Principal & interest payments required. • Non-amortizing loans: Maturity Term ≤ 5 years measured from first payment date following origination or last modification. At least annual payments required.		
3.	**Disbursement**: Loan is fully disbursed and non-revolving.		
4.	**Participation:** Loan is not participated or a participation interest.		

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/security instrument with applicable UCC filings recorded in the proper jurisdiction. Mortgage/UCC and mortgage/UCC modifications are recorded, original or copy in file. Loan disbursements are supported by the security instrument type (e.g. closed end, future advance).		
2.	**Note Security:** Security Instrument (or collateral property) is linked/cited security for subject note.		
3.	**Secured Party Citation**: Security Instrument directly cites member (or pledgor on behalf of member) as secured party or via recorded assignment.		
4.	**Instrument Execution**: Security Instrument 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 real estate assumptions, executed assumption agreement is recorded.		

LV	LIEN VERIFICATION	YES	NO
1.	**Lien Search Existence**: Lien verification appropriate for collateral security type.		
2.	**Lien Search Date and Quality**: Execution by all titleholders, legal description of encumbered property, recordation, and lien position (must assess all potential prior liens). • **UCC Chattel:** Post Closing		

- **Non-UCC Chattel:** Acknowledgment from licensing authority or account holder.
- **Real Estate:** Post Closing title policy, attorney's opinion, O&E/title report, or detailed internal lien search. Pre Closing acceptable if obtained with the loan's origination with recorded mortgage & prior lien recorded satisfaction(s). For loans with UPB ≤$100,000, prior lien pay-off documentation ensuring requisite lien position acceptable.
- **Possession:** Security perfected via possession acceptable.
- **Exception:** 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 and/or acknowledgment cite subject chattel security interest as first lien. Lien search cites mortgage as first or second lien:
   - Prior Liens: If lien search does not cite subject security in requisite lien position, file contains recorded satisfactions, subordinations, releases or title insurance endorsement.
     - Property must not be subject to unreleased prior nonmortgage liens or unsubordinated contracts.
     - For loans without post closing lien search if permitted per LV.2 above (i.e. Loans originated within six months of Collateral Reporting Date and UPB ≤$100,000), pay-off documentation of prior liens ensuring requisite lien position is acceptable to demonstrate prior lien satisfaction.
   - Property Taxes/Other Subsequent Liens: Taxes and assessments not past due one year or more. Security Interest 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.

CV	COLLATERAL CONDITION, PURPOSE and VALUATION	YES	NO
1.	**Collateral Property Type, Purpose and Conditions**: Loan is for agricultural operational or production purposes. Collateral property is located in the U.S. or its territories. • Loan is not solely secured by real estate. • 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 (real estate) 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 financial institution stock, raw land or land in development or other ineligible collateral type listed in Collateral Procedures: Section 2.2.		
2.	**Valuation Existence and Requirements**: File evidences property valuation (e.g. appraisal, broker's opinion, assessed valuation for property taxes, real estate purchase agreement with the member's documented confirmation of fair market value, documented internal property evaluation, invoice or borrower financial statement) indicating value of the legally encumbered property. The valuation must comply with regulatory requirements as applicable.		
3.	**Qualifying LTV**: ≤100% (see General Eligibility Checklist for QLTV definition).		

Loan is eligible for pledging as Secured Agri-Business Loan collateral:	YES	NO
Completed By/Date:		