



Federal Home Loan Bank of Des Moines

Member Collateral Verification: Underwriting Assessment Matrix - Updated October 5, 2020

Eligible loans underwritten with non-preferred underwriting or documentation attributes (**red**) are reduced in lendable value owing to a risk adjusted, **market based** discount as shown in the below. Aggregate discounts are applied as an adjustment to the Adjusted Eligibility Factor in determining advance equivalency.

Government agency insured/guaranteed loans not underwritten to agency standards are ineligible and are therefore excluded from this assessment. Underwriting and/or documentation requisites for loan eligibility are contained in each loan type's Eligibility Checklist.

Underwriting Factor	Discount	Notes
Capacity		
Repayment Ability (Cash Flow Analysis) - Performed and Documented (all loans)		
Repayment Ability Analysis (e.g. DTI, DSC or equivalent, Earned Net Worth Change)	no discount	
No Repayment Ability Analysis - residential	20%/10%	(1)
No Repayment Ability Analysis - non-residential	10%	
Insufficient Cash Flow: DSC < 1.2x or otherwise insufficient cash flow.	8%	(2)
Income/Asset Verification (1-4 family residential loans/lines)		
Income and Asset Verification in file	no discount	(3)
No Income Verification/No Asset Verification	20%	
Collateral		
Collateral Valuation (residential real estate loans/lines > \$400,000, CRE, MF and AgRE loans/lines > \$500,000)		
Certified/Licensed Appraisal	no discount	
Not Certified/Licensed Appraisal	15%	(4)
Lien Verification (real estate loans/lines > \$250,000)		
Title Insurance or Attorney Opinion	no discount	
No Title Insurance or Attorney Opinion	20%	
Residential High Loan to Value		
First Mtg Loans/Lines <= 90% LTV (or > 90% LTV with assignable mortgage insurance)	no discount	
First Mtg Loans/Lines > 90% LTV without assignable mortgage insurance	see note	(5)
Credit		
Credit Assessment - with evidence of review (all loans)		
Credit Report (individuals)/Credit History Assessment (entities) in file	no discount	
No Credit Report/History Assessment	8%	
Other		
Lost Note Affidavit (all loans)		
Lost Note Affidavit in lieu of an Original Note	10%	

Notes

- (1) A 10% discount is applied if the residential loan has 12 months clean repayment history.
- (2) Not applied to loan portfolios submitted by members for market pricing.
- (3) Asset Verification is verified 2 months payment reserves; applies only to loans originated after September 30, 2017 for the purpose of purchasing 1-4 family residential real estate.
- (4) Property valuations must be in full compliance with appraisal regulations to be eligible collateral.
- (5) Discount to 80% LTV equivalent.