



March 26, 2020

Update on Collateral Reporting and Policy

We have several updates to pass along regarding collateral.

First, LIBOR-linked loan collateral reporting has been postponed. New requirements to report additional information on adjustable-rate loans linked to the London Interbank Offered Rate (LIBOR), originally effective March 31, 2020, will be postponed until September 30, 2020. Members do not need to request approval to postpone LIBOR-linked collateral reporting.

Second, due to stresses in the current economic environment, we realize that members may need to work with their customers to provide temporary forbearance on loan repayment obligations. In order to assist members in this process, the FHLB has temporarily amended its loan collateral eligibility criteria such that:

- Notes may be modified electronically, with the borrower allowed to electronically sign the modification within 60 days of the effective date of the change. Such modifications may include payment deferrals and other changes to payment terms for customers that at the time of modification are not more than 60 days delinquent for first lien residential loans or more than 30 days delinquent for all other pledged loan types. For any modification other than a lowering of the note rate, signatures and execution must conform with the ESign Act. Currently all note modifications must be in hardcopy form and wet signed.
- The maximum allowable maturity of a loan from its original note date is extended to 31 years from 30 years.

Each of the above changes are effective through December 31, 2020. For additional details, see the Collateral Guide, available on Members Only. This guide will be updated for these changes by March 26 and the changes themselves may be reflected in eligible loan collateral reporting as of March 31, 2020.



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