

**BIC CERTIFICATION ADDENDUM  
FOR  
DEPOSITORY INSTITUTIONS THAT ORIGINATE ELECTRONIC NOTES**

INSTITUTION NAME: \_\_\_\_\_

ABA#: \_\_\_\_\_

COLLATERAL TYPE: \_\_\_\_\_

**THE FOLLOWING CERTIFICATION SHOULD BE COMPLETED BY THE INTERNAL AUDIT FUNCTION OF YOUR INSTITUTION. IF YOUR INSTITUTION DOES NOT HAVE AN INTERNAL AUDIT FUNCTION, TWO OFFICIALS OF YOUR INSTITUTION CAN COMPLETE THE CERTIFICATION, PENDING THE RESERVE BANK'S APPROVAL.**

**A. PLEASE ANSWER THE FOLLOWING QUESTIONS AND ADD ADDITIONAL PAGES AS NECESSARY**

1. HOW DOES YOUR INSTITUTION IDENTIFY THE AUTHORITATIVE COPY AS DEFINED BY UCC 9-105?

1A. ARE ALL OTHER COPIES CLEARLY LABELED AS NOT AUTHORITATIVE?

Yes     No

1B. DESCRIBE THE LABELING PROCESS AND WHETHER LABELS ARE CREATED AUTOMATICALLY OR MANUALLY. PLEASE PROVIDE A SCREENSHOT OF THE AUTHORITATIVE COPY AND SAMPLES OF THE LABELING FOR NON-AUTHORITATIVE COPIES.

1C. HOW DOES YOUR INSTITUTION LABEL ELECTRONIC COLLATERAL AS PLEDGED TO THE RESERVE BANK?

CHECK ALL THAT APPLY:

- ELECTRONIC NOTATION ON EACH IMAGED LOAN. EXAMPLE:
- ELECTRONIC STAMP ON EACH IMAGED LOAN. EXAMPLE:
- POSTING AN ATTENTION COMMENT ON EACH IMAGED LOAN. EXAMPLE:
- SEGREGATION OF THE IMAGED LOANS IN A SEPARATE FOLDER OR DIRECTORY. DESCRIPTION:
- OTHER (SPECIFY):

2. HAS YOUR INSTITUTION OBTAINED A LEGAL OPINION REGARDING ELECTRONIC COLLATERAL? IF SO, PLEASE PROVIDE A COPY OF THE OPINION TO THIS RESERVE BANK.

- Yes     No

3. DESCRIBE THE CONTINGENCY PLAN TO SAFEGUARD THE ACCURACY, AVAILABILITY AND BACK-UP OF ELECTRONIC RECORDS THAT COMPRISE THE ELECTRONIC COLLATERAL?

3A. HOW OFTEN IS THE DATA REPLICATED/ BACKED-UP?

3B. WHAT IS THE RETENTION PERIOD FOR BACKED-UP FILES?

4. ARE YOUR INSTITUTION'S PROCESSES FOR TRACKING THE CREATION, ADDITION AND DELETION OF ELECTRONIC DOCUMENTS PART OF THE INSTITUTION'S AUDIT PROGRAM? IF SO, PLEASE PROVIDE THE MOST RECENT AUDIT AND MANAGEMENT'S RESPONSES TO ANY FINDINGS.

4A. EXPLAIN HOW AND HOW OFTEN THE ACCURACY, QUALITY AND COMPLETENESS OF THE ELECTRONIC COLLATERAL PROCESS ARE TESTED.

4B. DESCRIBE ANY PROBLEMS THIS TESTING HAS UNCOVERED AND CORRECTIVE MEASURES, IF ANY, TAKEN.

5. DESCRIBE THE ELECTRONIC LOAN ORIGATION PROCESS. INCLUDE A COPY OF RELEVANT POLICIES, PROCEDURES, OR GUIDELINES AND PROVIDE DESCRIPTIONS OF THE FOLLOWING.

- HOW ELECTRONIC LOAN DOCUMENTATION IS CREATED, MAINTAINED AND RETRIEVED.
- HOW THE ABILITY TO ALTER OR DELETE ELECTRONIC RECORDS IS CONTROLLED AND HOW ANY SUCH ALTERATIONS OR DELETIONS ARE TRACKED.
- WHO HAS ACCESS TO THE SYSTEM USED TO CREATE, MAINTAIN, RETRIEVE, AND DELETE ELECTRONIC RECORDS, INCLUDING PROCEDURES FOR GRANTING, MONITORING AND REMOVING ACCESS.
- IF YOUR INSTITUTION DID NOT ORIGINATE THE LOANS (SUCH AS INDIRECT LOANS), DESCRIBE THE RECORD OF ASSIGNMENT WHICH DOCUMENTS THE TRANSFER. PLEASE PROVIDE SAMPLE ASSIGNMENT RECORDS.

6. DESCRIBE THE SYSTEM OR PRODUCT THAT IS USED FOR ELECTRONIC LOAN ORIGINATIONS AND INCLUDE ANY VENDOR DOCUMENTATION.

- EXPLAIN HOW AND HOW OFTEN THE SYSTEM OR PRODUCT IS TESTED
- DESCRIBE ANY PROBLEMS THIS TESTING HAS UNCOVERED AND CORRECTIVE MEASURES, IF ANY, TAKEN.

7A. DESCRIBE THE SYSTEM OR PRODUCT THAT IS USED FOR ELECTRONIC LOAN ORIGATION AND/ OR STORAGE.

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7B. IF YOU USE A THIRD-PARTY VENDOR TO IMAGE AND/OR STORE YOUR ELECTRONIC LOAN RECORDS, PLEASE INCLUDE A COPY OF THE AGREEMENT WITH THE VENDOR.

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8. DESCRIBE THE CONTROL PROCEDURES OVER THE ELECTRONIC LOANS  
• IN ADDITION, DESCRIBE THE CONTROLS ENSURING THAT THE LOANS ARE NOT DOUBLE PLEDGED

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9A. WILL YOUR INSTITUTION GRANT TO AND WILL FRBC HAVE DIRECT ACCESS TO YOUR INSTITUTION'S ELECTRONIC SYSTEM STORING OF THE LOANS PLEDGED FOR DISCOUNT WINDOW PURPOSES?

Yes     No

9B. HOW CAN THESE ELECTRONIC LOANS IN THE ORDINARY COURSE OF BUSINESS BE TRANSFERRED BY DELIVERY WITH ANY NECESSARY ENDORSEMENT OR ASSIGNMENT?

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10A. DESCRIBE HOW CONSENT IS OBTAINED FROM BORROWERS TO CONDUCT BUSINESS ELECTRONICALLY.

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10b. DESCRIBE YOUR ELECTRONIC SIGNATURE SOFTWARE AND PROCESSES.

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10c. DESCRIBE THE PROCESS FOR AUTHENTICATING BORROWERS' SIGNATURES.

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**B. AUTHORIZATION**

**PLEASE HAVE THE APPROPRIATE OFFICIALS OF YOUR INSTITUTION REVIEW AND SIGN THIS FORM.**

I have reviewed the above responses to the Electronic Note Certification Form and attest that the responses are accurate.

_____ Authorized Signature*	_____ Title	_____ Date
_____ Authorized Signature*	_____ Title	_____ Date

[\*Number of required signatures determined by the Borrowing Resolution on file with the Federal Reserve Bank]

**AUDITOR ATTESTATION**

I certify that I am in receipt of, and have reviewed the Borrower-In-Custody of Collateral Program Guidelines and Operating Circular 10. Further, for existing Borrower-In-Custody relationships, I attest that all relevant internal policies and procedures have been reviewed and examined for Borrower-In-Custody program conformance and confirm this institution to be in compliance.

_____ Authorized Signature**	_____ Title	_____ Date
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INTERNAL AUDITOR\*\* or  EXTERNAL AUDITOR\*\* or  RESPONSIBLE DIRECTOR\*\*