

**BIC CERTIFICATION ADDENDUM
FOR
DEPOSITORY INSTITUTIONS THAT IMAGE AND DESTROY
ORIGINAL PROMISSORY 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 IMAGED 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 HOW ORIGINAL PAPER DOCUMENTS ARE STORED PRIOR TO IMAGING

- DESCRIBE THE PHYSICAL STORAGE FACILITY.
- DESCRIBE HOW THE NOTES ARE PROTECTED FROM LOSS, FIRE, THEFT, AND OTHER DAMAGES.
- WHAT IS THE RETENTION PERIOD FOR PHYSICAL LOAN DOCUMENTS?

4. DESCRIBE THE IMAGING PROCESS. INCLUDE A COPY OF RELEVANT POLICIES, PROCEDURES OR GUIDELINES AND ANY VENDOR DOCUMENTATION THAT DESCRIBES THE PROCESS.

- DESCRIBE HOW DOCUMENTS ARE IMAGED (WHO, WHAT TECHNOLOGY, ECT.)
- EXPLAIN HOW AND HOW OFTEN THE ACCURACY AND COMPLETENESS OF THE IMAGING PROCESS IS TESTED.
- DESCRIBE ANY PROBLEMS THIS TESTING HAS UNCOVERED AND CORRECTIVE MEASURES, IF ANY, TAKEN.
- DESCRIBE HOW THE ABILITY TO ALTER OR DELETE IMAGED DOCUMENTS IS CONTROLLED AND HOW ANY SUCH ALTERATIONS OR DELETIONS ARE TRACKED.

5. • DESCRIBE HOW IMAGED LOANS ARE STORED, ARCHIVED AND ACCESSED.

- DESCRIBE WHO HAS ACCESS TO THE SYSTEM USED TO STORE, ARCHIVE, ACCESS, AND DELETE IMAGED COPIES, INCLUDING PROCEDURES FOR GRANTING, MONITORING AND REMOVING ACCESS.
- DESCRIBE ANY CONTINGENCY ARRANGEMENTS FOR IMAGED DOCUMENT ACCESS

6. DESCRIBE HOW THE ORIGINAL PAPER DOCUMENTS ARE DESTROYED

- EXPLAIN HOW THE PROCESS IS MONITORED AND VERIFIED. FOR EXAMPLE, IS THERE A LOG OR ARE DESTRUCTION RECEIPTS GENERATED?
- EXPLAIN HOW CONSENT IS OBTAINED FROM BORROWERS BEFORE IMAGING AND DESTROYING THE ORIGINAL PAPER FORM.

7. 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

8. DESCRIBE THE CONTINGENCY PLAN TO SAFEGUARD THE ACCURACY AND BACKUP OF ELECTRONIC RECORDS AND TO TRANSFER SUCH RECORDS TO AN APPROPRIATE PARTY IN CASE THE VENDER ENCOUNTERS FINANCIAL OR OPERATIONAL DIFFICULTY OR THE BANK OR PLEDGED ASSETS ARE SOLD?

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

B. AUTHORIZATION

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

I have reviewed the above responses to the Image and Destroy 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

INTERNAL AUDITOR** or EXTERNAL AUDITOR** or RESPONSIBLE DIRECTOR**