



SINGLE PROPERTY COMMERCIAL SINGLE FAMILY RESIDENCE (CSFR) FIRST MORTGAGE 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
<p>The requirements of this checklist are <u>specific</u> to the collateral type shown above. Additional Eligible Member Collateral requirements common to pledged loan collateral are identified in <u>Collateral Procedures</u> and the <u>General Eligibility Checklist</u>. The preparer should have familiarity with all eligibility guidance prior to proceeding with eligibility determination via this checklist.</p>			

PN	PROMISSORY NOTE	YES	NO
<p>1. Note Execution: Executed with proper signatories and capacities as authorized by any applicable borrowing resolution/other authority.</p>			
<p>2. Loan Terms: Matures and requires principal & interest payments to amortize the loan within a 40-year term or less (measured from first payment date following origination or last modification).</p>			
<p>3. Disbursement: Fully disbursed and non-revolving.</p>			
<p>4. Whole Loans: Wholly owned by pledgor (i.e. not participated).</p>			

SI	SECURITY INSTRUMENT: Mortgage (or Deed of Trust) and/or Security Agreement	YES	NO
<p>1. Security Instrument Existence: Note is secured with an unexpired mortgage recorded in the proper jurisdiction. Recorded mortgage or a copy of is in file. Loan disbursements are supported by the security instrument type (e.g. closed end, future advance).</p>			
<p>2. Note Security: Mortgage (or collateral property) is linked to/cited as security for subject note.</p>			
<p>3. Secured Party Citation: Mortgage directly cites pledgor as secured party or via recorded assignment.</p>			
<p>4. Instrument Execution: Mortgage is properly executed and acknowledged:</p> <ul style="list-style-type: none"> • 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. 			
<p>5. Secured Debt Amount: ≥ loan's current unpaid principal balance.</p>			
<p>6. Assumptions: Executed assumption agreement is recorded.</p>			

LV	LIEN VERIFICATION	YES	NO
<p>1. Lien Search Existence: Evidenced lien search of the encumbered property (e.g. title policy, attorney's opinion, O&E/title report, or detailed internal lien search).</p>			
<p>2. Lien Search Date and Quality: Lien search is <u>dated on or after recording date</u> and confirms: Execution by all titleholders, legal description of encumbered property, recordation, and lien position (lien search must assess all potential prior liens).</p>			

- **Loans originated within 6 months of Collateral Reporting Date:** A pre-closing lien search obtained with the loan’s origination while post-closing lien search is finalized.

Loans with UPB ≤\$250,000: Post closing lien search is not required. In lieu, file evidences a pre-closing lien search dated no more than 75 days prior to mortgage date.

3. **Lien Position:** Lien search cites subject mortgage as **first** lien; all prior mortgage and non-mortgage liens are released.

- **Prior Liens:** If lien search does not cite subject mortgage as first lien, file documents recorded satisfactions, subordinations, releases, or title insurance endorsement ensuring a first lien position.
- 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 or UPB ≤\$250,000), 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. Not subordinate 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.

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CV	COLLATERAL CONDITION, PURPOSE, and VALUATION	YES	NO
	1. Collateral Property Type and Conditions: Secured solely by a single, habitable, four season 1-4 family dwelling located in the U.S. or its territories, commercially underwritten via DSCR and used for residential rental purposes. <ul style="list-style-type: none"> • Manufactured Homes: Pledged dwelling meets real property definition under applicable state law. • 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 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 type listed in <u>Collateral Procedures: Section 2.2.</u> 		
	2. Valuation Existence and Requirements: Certified appraisal is required.		
	3. Qualifying LTV (QLTV): ≤ 75%		

OT	UNDERWRITING REQUIREMENTS	YES	NO
	1. Guaranty: Loans to non-natural persons are personally guaranteed.		
	2. Credit Score: Borrower’s FICO ≥ 700 at origination (or guarantor’s FICO for loans to non-natural persons).		
	3. DSCR: ≥ 1.0x at origination based on (i) contractual lease ≥ 1 year, or (ii) Comparable Rent Assessment (e.g. FNMA Form 1007 or similar) and contractual debt service. See Expanded file DSCR reporting instructions.		

Loan is eligible for pledging as Single Property Commercial Single Family Residence (CSFR) :	YES	NO
Completed By/Date:		

NOTE: Total Single Property CSFR loans are limited to no more than 20% of a member’s Advance Equivalency