

FHLBank Update

FHLBank Update: Collateral Changes and Clarifications

FHLBank Pittsburgh remains focused on our continued ability to serve our members. Over the past week, we have received a number of inquiries from members wanting to ensure maximum access to liquidity or asking for Collateral Policy clarifications. The following Collateral Policy updates and clarifications are effective immediately and are intended to ease burden and provide flexibility in the current economic environment.

Qualifying Collateral Exposure to LIBOR – Reporting Deadline Extended to Sept. 30

FHLBank previously communicated to members the need to report, on the Qualifying Collateral Report (QCR) template, the amount of qualifying loan collateral indexed to LIBOR. This requirement, which was scheduled to begin on March 31, 2020, has been extended. Members will be required to report this information starting with the Sept. 30, 2020, QCR. However, FHLBank management will make the functionality to report LIBOR-linked collateral effective with the March 31, 2020, QCR. Members with reporting capability are encouraged to submit data. Please contact your Business Development Manager with any concerns related to filing the March 31, 2020, QCR.

Collateral Policy Changes and Clarifications

Effective immediately, FHLBank Pittsburgh will recognize the following as eligible collateral:

- Loans that are past due up to 89 days, and that are not on nonaccrual.
- Performing troubled debt restructurings (TDRs) as eligible loan collateral. This includes loans considered to be TDRs that are performing to agreed-upon terms after a prudent forbearance period.

Other clarifications that may be useful when evaluating collateral eligibility:

- Loans with a forbearance period up to 12 months, for all eligible loan types, are acceptable as collateral.
- Electronic signatures may be used as approval on loan modifications and loan forbearance agreements.

During this complex time, we appreciate being able to support our members and the communities they serve. For additional information on these topics, please reach out to the Business Development Management team below.

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