

Collateral Market Valuation Program

Members with robust data management capabilities and strong loan portfolios can save time and optimize borrowing capacity with FHLBank's collateral market valuation program. This program allows members to use market value listings in place of the Qualifying Collateral Report (QCR) process. As a result, collateral value is quantified more precisely, potentially broadening collateral eligibility and expanding liquidity with FHLBank.

Program Benefits

- **Simplified Data Collection and Delivery** – Leverages automated loan listings in standard templates
- **Optimized Liquidity** – Provides lending values driven by the credit quality and performance of your specific portfolio
- **Timely Updates** – Captures new originations on a monthly, or more frequent, basis
- **Third-Party Analytics** – Provides portfolio insights and data quality assessments, which can be used in interactions with your regulators

+16%
Average increase in collateral value for program participants through 2019

Sample Lending Value Comparison

Example for Traditional 1-4 Family Residential Loans

	QCR	Market Valuation Program	
Gross loan amount	\$100M	\$100M	
Subtractions	(\$20M)	(\$15M)	◀ Expanded eligibility criteria
Net eligible amount	\$80M	\$85M	
Collateral weighting	80%	85%	◀ Higher weighting
Lending value	\$64M	\$72M	◀ 25% increase in value

Loan Collateral	Lending Values	
	QCR Filer Undelivered (% of Unpaid Principal Balance)	Market Valuation Program (% of Market Value)
1-4 Family Residential Loans		
Qualifying traditional	80%	85%
Qualifying unknown FICO® and nontraditional	70%	80%
Qualifying low FICO	60%	75%
Other Loan Types		
Multifamily (5+)	75%	85%
Second-lien HELOCs and junior lien mortgages	60%	75%
Commercial Real Estate	70%	80%

See the Member Guide to Collateral and the Member Products Policy, both on the “Guides/Info” tab in Bank4Banks®, for program guidelines. For more information, contact your Business Development Manager.



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This document is provided for illustrative purposes only. Certain exclusions and requirements apply. FHLBank reserves the right to revise the terms of the program.