

**FEDERAL HOME LOAN BANK OF INDIANAPOLIS  
MORTGAGE PURCHASE PROGRAM  
CUSTODIAL AGREEMENT**

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This Custodial Agreement dated \_\_\_\_\_ is entered into by and among  
Federal Home Loan Bank of Indianapolis ("FHLBI"),

\_\_\_\_\_  
the Seller

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State ZIP Code

\_\_\_\_\_  
Phone

and

\_\_\_\_\_  
the Document Custodian

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State ZIP Code

\_\_\_\_\_  
Phone

Sample

In entering into this Agreement, the parties certify the following:

1. If the Seller is acting as its own Document Custodian, the Document Custodian certifies that it maintains an independent custody department that is established and operated under the trust powers granted by its primary regulator and that such custody department (a) is physically separate from the departments performing mortgage origination, selling, and servicing functions; (b) maintains its own separate personnel, files and operations; (c) is subject to periodic review or inspection by the Seller's primary regulator; and (d) has custodial officers who are duly authorized by corporate resolution or by-laws to act on behalf of the Seller in its trust capacity and are empowered to enter into this Custodial Agreement.
2. The Document Custodian is a financial institution, or subsidiary or parent of a regulated financial institution or holding company, that is subject to supervision and regulation by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency of the United States, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, or the National Credit Union Administration;
3. The Document Custodian is in good standing with its regulator (if the Document Custodian is a regulated institution) or the institution's parent or subsidiary is in good standing with its regulator (if the Document Custodian is a subsidiary or parent of a regulated institution). To be in good standing, the Document Custodian (or its parent or

subsidiary, when applicable) cannot be in receivership or conservatorship, be undergoing liquidation, or be operating under any other program of management oversight by its primary regulator.

4. The Document Custodian (or its parent or subsidiary) has either a "B/C" or better rating from Fitch IBCA, or a "165" or better from IDC Financial Publishing, Inc., if it (or its parent or subsidiary) is rated by only one of these firms; or the institution (or its parent or subsidiary) has a "B/C" or better rating from Fitch IBCA, if it (or its parent or subsidiary) is rated by both firms.
5. The Document Custodian agrees to meet all requirements set forth in all applicable laws, regulations, and guidelines (collectively, the "FHLBI Guidelines"), all requirements in the Mortgage Purchase Program Guide (the "Guide"), this Custodial Agreement, and all other Program Documents, all of which are hereby incorporated herein by reference.

WITNESSETH:

- I. The Document Custodian understands that FHLBI and the Seller identified above may enter into Master Commitment Contracts (each, a "Master Commitment") pursuant to which FHLBI and the Seller may enter into Mandatory Delivery Contracts, under which the Seller will sell Mortgages to FHLBI. The Guide requires the Seller to deliver certain documents with respect to each Mortgage (together, in accordance with Section 4.4 of the Document Custodian Manual, a "Custody File") to the Document Custodian. FHLBI desires to have the Document Custodian take possession of the Custody Files, as the Document Custodian for and as agent of FHLBI in accordance with the terms and conditions hereof.
  - A. At least one business day prior to the applicable settlement date for a particular Mandatory Delivery Contract, the Document Custodian shall certify to FHLBI that the Custody File contains the following (the "Initial Certification"):
    1. The original promissory note or other evidence of indebtedness (or, in the case of a modified Mortgage, the original note and the Allonge, modification agreement, or other evidence of modification) endorsed in blank without recourse as follows:

PAY TO THE ORDER OF \_\_\_\_\_  
WITHOUT RECOURSE  
NAME OF LENDER  
(AUTHORIZED SIGNATURE)  
NAME OF AUTHORIZED SIGNER  
TITLE OF AUTHORIZED SIGNER

The endorsement must provide a complete chain if the Seller did not originate the Mortgage. The last endorsement will be that of the Seller.
    2. An assignment of the Mortgage or other security instrument to FHLBI in recordable form but unrecorded (not required for mortgages on the MERS system). The assignment of the Mortgage must show the assignee as FHLBI, and must not include a recitation that the assignment of the Mortgage or lien is "without recourse." In general, recordable form is whatever form the local recorder's office requires. If state law does not specifically address the information required for recording, the following information should be included in the assignment of mortgage:
      - a. The date of execution,

- b. The lender's name,
- c. The borrower's name,
- d. A legal description of the property,
- e. Recording information related to the Mortgage such as the deed book and page number or the instrument number,
- f. The original Mortgage amount,
- g. The date of the Mortgage,
- h. An authorized signature, and
- i. An appropriate notarization.

If a jurisdiction requires that the assignee's address be shown in the assignment of mortgage, this address should be used:

Federal Home Loan Bank of Indianapolis  
 8250 Woodfield Crossing Blvd.  
 Indianapolis, IN 46240

- 3. A copy of the original Mortgage (or other security instrument) securing repayment of indebtedness, signed by the mortgagor that was sent for recording. In the case of a modified loan, a copy of the original recorded Mortgage, the related original note(s), the modification agreement, and any required subordination agreement;
- 4. Copies of any interim assignments that were sent for recording (if the Seller did not originate the Mortgage or if the Mortgage is registered with MERS as assignee. If the Mortgage was originated with MERS as the original mortgagee (MOM), an interim assignment is not required);
- 5. Copy of a power of attorney that was sent for recording (if an attorney-in-fact signed the mortgage note on a borrower's behalf).

II. In consideration of the undertakings herein expressed and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows.

- 1. Document Review. In accordance with Section 4 of the Document Custodian Manual, the Document Custodian shall review and examine each Custody File promptly upon receipt thereof. When the Document Custodian receives a Custody File, the Document Custodian shall review it to ascertain that it conforms to the requirements in Section I above and in the Document Custodian Manual.
- 2. Missing, Inconsistent Documents. In accordance with Section 4 of the Document Custodian Manual, the Seller shall be solely responsible for delivering the Custody Files to the Document Custodian in a timely manner, and for furnishing, completing, or correcting any missing, incomplete, or inconsistent documents.
- 3. Certification. In accordance with Section 4 of the Document Custodian Manual and upon determining that all instruments conform with the specifications set forth in Section I above, without exception, then the Document Custodian shall indicate on the FHLBI Loan Acquisitions System (LAS) that the Document Custodian has in its possession all Mortgage Documents required by this Custodial Agreement, the Guide, the Document Custodian Manual, and the other Program Documents to be in the Document Custodian's possession as a condition to the purchase of such Mortgages by FHLBI.
- 4. Custody; Review. In accordance with Section 2 of the Document Custodian Manual, the Document Custodian shall segregate and maintain continuous custody of all Custody

Files and shall hold such Custody Files in secure and fireproof facilities in accordance with customary standards for such custody, and at any reasonable time shall make all such Custody Files available to representatives of FHLBI for examination, or deliver them (or copies) to FHLBI or its agents for review or inspection. The Document Custodian understands that it will be subject to periodic review and inspection by FHLBI or its agents.

5. Agent for FHLBI. With respect to each of the Custody Files delivered to the Document Custodian or which at any time come into the possession of the Document Custodian pursuant to the terms of this Custodial Agreement, the Document Custodian is exclusively the Document Custodian for, bailee and agent of FHLBI. The Seller, FHLBI and the Document Custodian agree that during such period, notwithstanding that the note included in each Mortgage is endorsed in blank, FHLBI shall be the sole legal and equitable owner of the Mortgages and the Custody Files and the Document Custodian shall hold the Custody Files for the exclusive use and benefit of FHLBI.
6. Transfer of Custody by FHLBI. While the Mortgages are owned by FHLBI, if FHLBI advises the Document Custodian that a default has occurred under or in connection with the FHLBI Guidelines, the Master Agreement, the Guide, the Document Custodian Manual, or any other Program Document, or if for any other reason (or no reason) FHLBI determines that it wishes to transfer custody of the Custody Files, including, but not limited to, the failure by the Document Custodian to perform or observe any of the provisions of this Custodial Agreement, the failure of the Document Custodian to meet requirements of the Credit Policy or Blanket Agreement, or the removal or termination of the Seller or any other person as Servicer of the Mortgages, FHLBI may remove and discharge the Document Custodian from the performance of its duties under this Custodial Agreement. FHLBI shall promptly appoint a successor Document Custodian to act on its behalf. In the event of any such removal, the Document Custodian shall promptly transfer to the successor Document Custodian, as directed by FHLBI, all of the Custody Files maintained with respect to the Mortgages being held under this Custodial Agreement and shall, if necessary, assign the Custody Files to the successor Document Custodian if the endorsements on the notes and the assignments of mortgages or other collateral instruments have been completed in the name of the Document Custodian, or as otherwise directed by FHLBI, in the form of and as directed by FHLBI. The Seller shall be responsible for insurance, transportation costs for transferring the Custody Files, and supplying and paying for the necessary forms, supplies, items, and documentation as reasonably required by the FHLBI in order to provide any necessary endorsement on notes or to assign the Mortgages or collateral documents over to the successor Document Custodian. The Document Custodian shall not be responsible for any recording or transfer fees with respect to Mortgages in connection with this paragraph. The removal of the Document Custodian shall not affect or impair any of the rights, duties and obligations of the Document Custodian with respect to any event occurring prior to such removal. In addition, notwithstanding the foregoing, if at any time, FHLBI elects to assume or transfer the duties and obligations of the Seller or any other person to Service the Mortgages and elects to continue this custodial relationship, the Document Custodian agrees to continue to perform its obligations hereunder on the same terms and conditions as set forth herein in cooperation with such new Servicer, until such time as further notified by FHLBI.
7. Maintenance of Insurance. The Document Custodian shall, at its own expense, maintain at all times during the existence of this Custodial Agreement and keep in full force and effect, (i) a fidelity bond and document hazard insurance, and (ii) insurance typically maintained by banking institutions that act as Document Custodian for similar transactions, all as required in Section 3.2 of the Document Custodian Manual. All such insurance shall be with reputable insurance companies acceptable to FHLBI. A

certificate of an officer of the Document Custodian shall be furnished to FHLBI, upon request, containing the Document Custodian's statement that each of the insurance policies relating to such insurance contains the insurer's statement or endorsement that such insurance shall not be terminated without ten (10) days' prior written notice to the Document Custodian of such termination. The Document Custodian shall use its best efforts to notify FHLBI of its receipt of any such notice of termination.

8. Representations and Warranties of the Document Custodian. The Document Custodian represents and warrants to FHLBI as follows:
  - a. This Custodial Agreement has been authorized and approved by all requisite corporate action on the part of the Document Custodian and, when executed and delivered by the Document Custodian and the other parties hereto, will constitute the legal, valid, and binding obligation of the Document Custodian, enforceable against the Document Custodian in accordance with its terms.
  - b. The Document Custodian has not executed and will not execute any agreement or obligation inconsistent herewith or with any of the transactions contemplated hereby.
  - c. The Document Custodian warrants that it shall hold no adverse interest, by way of security or otherwise, in any Mortgage listed in the Schedule of Mortgages, and hereby waives and releases any such interest which it may have in any such Mortgage as of the date and time of payment for the Mortgages listed upon the Schedule of Mortgages.
9. Representations and Warranties of the Seller. The Seller represents and warrants to FHLBI that this Custodial Agreement has been authorized and approved by all requisite corporate action on the part of the Seller and, when executed and delivered by the Seller and the other parties hereto, will constitute the legal, valid and binding obligation of the Seller enforceable in accordance with its terms. The Seller also represents and warrants that it will pay all fees or other compensation due to the Document Custodian as provided in Section 2 of the Document Custodian Manual.
10. Indemnification of FHLBI by the Document Custodian. The Document Custodian hereby agrees to indemnify FHLBI, its affiliates, and their respective directors, officers, employees, and agents and their respective successors and assigns (each, an "FHLBI Indemnified Party") against, and agrees to hold it and them harmless from, any and all claims, losses, liabilities, obligations, damages, payments, costs, and expenses (including, without limitation, reasonable legal fees and expenses arising in connection therewith or in connection with the enforcement of this Custodial Agreement) which may be imposed on, incurred by, or asserted against FHLBI or any other FHLBI Indemnified Party and resulting from the Document Custodian's negligence or misconduct in the performance of or other breach of its obligations hereunder. The indemnifications contained herein shall survive any termination of this Custodial Agreement.
11. Indemnification of the Document Custodian by the Seller. The Seller hereby agrees to indemnify the Document Custodian, its affiliates, and their respective directors, officers, employees and agents and their respective successors and assigns (each, a "Custodial Indemnified Party") against, and agrees to hold it and them harmless from any and all claims, losses, liabilities, obligations, damages, payments, costs and expenses (including, without limitation, reasonable legal fees and expenses arising in connection therewith) which may be imposed on, incurred by or asserted against the Document Custodian or any Custodial Indemnified Party resulting from actions any Custodial Indemnified Party takes in accordance with the provisions of this Custodial Agreement; provided that the Seller shall not be liable for any portion of any such amounts resulting from the negligence or misconduct of the Document Custodian in the performance of or

other breach of its obligations hereunder. The indemnifications contained herein shall survive any termination of this Custodial Agreement.

- 12. Financing Statements. By executing this Custodial Agreement, the Document Custodian authorizes FHLBI to file financing statement or continuation statements from time to time describing Mortgages sold pursuant to the applicable Master Commitment Contracts and Mandatory Delivery Contracts without the signature of the Document Custodian.

Capitalized terms as used herein shall have the same meaning as defined in the glossary of the Guide.

IN WITNESS WHEREOF, the Parties have caused this Custodial Agreement to be executed and delivered as of the date above stated.

Federal Home Loan Bank of Indianapolis

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Document Custodian

By: \_\_\_\_\_  
Title: \_\_\_\_\_

*Sample*  
Seller

By: \_\_\_\_\_  
Title: \_\_\_\_\_