

Membership Application

BANK



Prepare and submit an original of this membership application to:

*Membership Application – Business Development
Federal Home Loan Bank of Indianapolis
8250 Woodfield Crossing Boulevard
Indianapolis, IN 46240*

If you wish to transmit the completed application packet electronically, please securely submit the application and materials to MemberServices@fhlbi.com and notify both contacts listed below.

Prepare and include with the application the following documents related to the applicant applying for membership:

- 1) A copy of the bank's latest call report filed with the appropriate regulatory agency.
- 2) A copy of the most recently audited financial statements and management letter for the bank as prepared by an independent certified public accountant. In absence thereof, please contact the Business Development Department (First Line Credit) for other acceptable documents.
- 3) Latest annual report and published financial statements.
- 4) The bank's latest Form 10-Q and Form 10-K filed with the SEC.
- 5) A copy of the Articles of Incorporation, Articles of Association or Articles of Charter (as applicable), along with all amendments needed to establish exact legal name and a copy of the current bylaws.
- 6) Copies of the holding company's most recent Y-9 reports (for the parent only and the consolidated company) filed with the Federal Reserve Bank.
- 7) A copy of the Community Reinvestment Act statement.
- 8) A list of all directors, senior officers, and subsidiaries of the bank. For each subsidiary, please describe its primary activities.
- 9) A copy of the most recent Report of Examination (ROE) along with a copy of the bank's management response to the ROE.

If you have any questions regarding completion of this application, please contact:

Doug Houck

First Line Credit Risk Manager
(317) 465-0508
dhouck@fhlbi.com

Steve Doan

Sr. Director, Lending and Member Solutions
(317) 465-0324
sdoan@fhlbi.com

General Information

Name of Bank		
Street Address	PO Box	
City	State	Zip Code
Phone Number	Fax Number	
Federal Tax Identification Number	Website Address	
Name of Primary Contact Person		
Title of Primary Contact Person		
Phone Number	Email Address	
Name of Managing Officer	Title of Managing Officer	
Type of Organization		
Type of Deposit Insurance		
Deposit Insurance Certificate Number		

1) **Has the applicant ever been a member of the Federal Home Loan Bank System?** Yes No If so, when? _____

Why did the applicant withdraw from prior membership? (Please attach a separate sheet.)

2) **Is the bank operating under any form of formal enforcement action by any of its regulatory authorities?** Yes No

If so, please attach a copy of the enforcement agreement, or a separate sheet with a brief explanation regarding the nature of the agreement and how the bank is complying with the terms.

3) **Is the bank a member of the Federal Reserve System?** Yes No

4) **What is the date of the bank's fiscal year-end?** _____

5) Capital Requirement Information:

a) Does the bank meet all applicable regulatory capital requirements? Yes No

b) Please complete the following for most recent available period:

	Tier-1 Leverage	Total Risk-Based	Other	As-of
Capital Required (%)	_____	_____	_____	_____
Actual (%)	_____	_____	_____	_____

c) Please describe the nature of any other applicable capital requirement(s) and the federal or state agency that imposes it.

6) What is the bank's current Community Reinvestment Act Performance Evaluation rating? _____

When was this rating assigned? _____

7) Merger Activity Information:

a) Has there been any merger or acquisition activity in the last two years of operation (from the most recent quarter)? Yes No

b) Are there any pending mergers that will take place in the next two quarters? (If so, please attach a separate sheet briefly explaining.) Yes No

8) What products and services do the bank offer that represent investment in the community?

9) In what ways does the applicant participate in community development?

10) What are the applicant's borrowing expectations in the near term, and what kind of collateral does the applicant expect to pledge?

Home Financing Policy – Sound and Economical Determination

The following Home Financing Policy – Sound and Economical Determination and Alignment with the FHLB System Mission are only required for institutions not subject to the Community Reinvestment Act (CRA). If your institution is subject to, and has received a CRA rating, please provide documentation regarding that rating and disregard the following sections.

A requirement for FHLB applicants outlined in 12 CFR§1263.6 (a)(6) requires applicants demonstrate their “home financing policy is consistent with sound and economical home financing.” While there is no formal regulatory definition on what constitutes “sound and economical home financing,” FHLBank Indianapolis requires the following parameters to demonstrated in the submitted home financing policy to qualify as “sound and economical”:

- 1) **Underwriting Standards** – Guidelines or selection criteria for originating or investing in home loans and/or residential investment transactions (e.g., RMBS purchases).
- 2) **Risk Management Practices** – Risk management activities taken to ensure the home financing activities are being done in a safe and sound manner.
- 3) **Compliance with Laws and Regulations** – Home financing transactions must comply with all applicable laws and regulations.

An applicant that does not have a formal home financing policy may provide separate procedural or policy documents that will serve as a “de facto home financing policy” provided they contain and demonstrate the three core parameters outlined above.

The following questions and responses will assist in supporting the basis for determining if the applicant’s home financing policy (or de facto home financing policy) is “sound and economical.”

- 1) **What policies or procedures, if any, have the applicant adopted that address how the applicant finances or invests in housing-related assets that are consistent with sound and economical transactions?** Examples include mortgage loan underwriting guidelines, investment selection criteria, consumer protection and fair housing guidelines or other similar policies or procedures. Please list and provide copies of all relevant documents to the Bank:

2) Does the applicant have underwriting standards or selection criteria for their home financing transactions? Yes No

In general, please describe these standards and note where these references are located within your policy or procedural documents provided with this application:

3) Does the applicant have risk management practices in place to adequately manage and control the risk associated with their home financing transactions? Examples can include stress testing, reporting to senior management and/ or the board of directors, loan/investment reviews, concentration limits, etc. Yes No

In general, please describe these practices and note where these references are located within your policy or procedural documents:

4) Does the applicant abide by all applicable laws and regulations when engaging in their home financing transactions? Yes No

In general, please describe how the applicant abides by applicable laws and regulations and note where adherence to these laws is located and referenced within your policy or procedural documents provided with this application:

- 5) **Does the applicant engage in any “non-traditional” lending or investment activities such as subprime lending, non-qualified mortgage lending, investment in private-label RMBS or other alternative residential lending or investment activities? Yes No**

“Non-traditional” home financing activities are acceptable to engage in provided they controlled and managed in a safe and sound manner. Please describe the additional risk mitigation controls taken for these types of activities. Examples include more conservative underwriting standards or selection criteria, additional or increased frequency of reporting, or other efforts that help mitigate the additional risk these activities exhibit.

- 6) **Has the applicant [or any of its affiliates] ever been cited, fined, or received any complaint or notice or communication [from any governmental authority] alleging violation of, or noncompliance with, any legal requirement concerning any fair lending laws or regulations, including, but not limited to, the Fair Housing Act, Equal Credit Opportunity Act, Regulation B, and all other applicable laws and regulations? Yes No**

If yes, please explain and provide copies of all relevant documentation to the Bank.

If yes, have all such violations or noncompliance been cured or otherwise satisfied in full?

Yes No

FHLB System Mission Alignment

A requirement for FHLB applicants not subject to the Community Reinvestment Act (outlined in 12 CFR§1263.13(b) require applicants submit a written justification on how and why their home financing policy (or de facto home financing policy) is consistent with the FHLBank System’s housing finance mission.

12 CFR§1265.2 provides that, “The mission of the FHLBanks is to provide to their members' and housing associates financial products and services, including but not limited to advances, that assist and enhance such members' and housing associates financing (a) Financing of housing, including single-family and multifamily housing serving consumers at all income levels; and (b) Community lending.”

The FHLBank Indianapolis expects applicants to demonstrate the ability to originate, acquire or invest in single-family and/or multifamily home mortgage loans and/or securities backed by these loans; abide by all relevant consumer protection laws and regulations; and engage in community development, support or investment activities that meet the needs of the community the applicant serves.

The following questions and written responses will assist in supporting the basis for determining if the applicant’s home financing policy (or de facto home financing policy) is consistent with the FHLBank System’s housing finance mission.

- 1) **Does the applicant originate, acquire, or invest in single-family and/or multifamily home mortgage loans?** Yes No

- 2) **Does the applicant invest in securities backed by single-family and/or multifamily home mortgage loans?** Yes No

- 3) **When originating or acquiring single-family and/or multifamily home mortgage loans or investing in securities backed by these loans, does the applicant abide by all applicable federal, state, and local anti-predatory lending, credit-related consumer protection, unfair and deceptive lending practice, and fair housing and other similar nondiscrimination laws and regulations?** Yes No

- 4) **Please describe how the applicant abides by consumer protection laws and regulations and note where adherence to these requirements is located and referenced within your policy or procedural documents.** Please also describe any other efforts taken to ensure consumers’ rights are being protected.

5) What housing-related activities does the applicant engage in that support the needs of the community it serves? Examples include lending to low-income, distressed or underserved geographies, providing insurance related to housing (homeowners, title, flood, mortgage, etc.), investment in low-income tax credits, providing first-time homebuyer assistance, providing financial literacy education, or other community development, support or investment activities that meet the needs of the community.

Additional Requirements

In addition to answering the above questions, please submit with your application a formal written justification that outlines how and why the applicant feels their home financing policy and business activities are consistent with the mission of the FHLBanks. In drafting your statement, please include items and information that:

- Recognize the importance of the FHLBank System housing finance mission with emphasis on sound and economic transactions.
- Identify the relevant policies or procedures that describe the applicant's philosophy regarding the origination, investment, or acquisition of mortgage-related assets. Mortgage-related assets include single-family home mortgage loans, home equity loans and lines-of-credit, multifamily home mortgage loans (apartment buildings, college dormitories, nursing homes/care centers for elderly individuals, etc.), and pass-through, mortgage-backed securities and collateralized mortgage obligations (CMOs and REMICs) backed by residential mortgage loans.
- Describe policies, procedures, and practices to ensure compliance with applicable anti-predatory lending, fair-housing and consumer protection laws for both origination and investment activities.
- Describe in what ways the applicant participates in community development and support and otherwise meets the needs of the community the applicant serves.
- Identify and describe products and services offered to the communities the applicant serves that align with the mission of the FHLBank System.

Please attach with your written justification statement all applicable policies, references and other supporting information that should be considered and evaluated by the FHLBank Indianapolis.

Computation of FHLBank Capital Stock Requirement

Pursuant to Section V of the FHLBank Indianapolis Capital Plan, each institution applying for membership must purchase and maintain FHLBank Indianapolis Class B capital stock in an amount equal to its membership stock requirement. The FHLBank Indianapolis Capital Plan defines the membership stock requirement as a percentage of the member's total assets subject to certain minimums and maximums. The initial membership stock requirement for your institution is as follows:

Date – Latest Quarter-End

APPLICANT MEMBERSHIP REQUIREMENT

TOTAL ASSETS \$ _____

0.10% OF TOTAL ASSETS ROUNDED TO NEXT
HIGHEST \$100
(Line 2)

\$ _____

MINIMUM REQUIREMENT

\$ 7,500

MAXIMUM REQUIREMENT

\$ 5,000,000

DOLLAR AMOUNT OF FHLB STOCK REQUIRED

(Enter Line 2 or Minimum/Maximum if Line 2 outside
those bounds.)

\$ _____

Application for Membership and Purchase of Federal Home Loan Bank Stock

Date of Application

The undersigned applicant (Applicant) hereby applies for membership in the Federal Home Loan Bank of Indianapolis (FHLBank) and, if approved for membership, will purchase _____ shares of stock at the par value of \$100 each in the FHLBank, and agrees to make payment in the amount of \$ _____ as payment of said stock purchase within 60 calendar days of approval for FHLBank membership.

Applicant is of the opinion that it is eligible to become a member of the FHLBank and that it is authorized to purchase and hold capital stock in the FHLBank and to maintain deposits there. Applicant understands that this application must be considered, acted upon, and approved by the Federal Housing Finance Agency (FHFA) before becoming a member of the FHLBank.

In submitting this application, Applicant understands and agrees that:

- 1) Applicant will be advised whether or not its application for membership is approved.**
- 2) If admitted to membership, Applicant will conform to all requirements of the Federal Home Loan Bank Act, as now or hereafter amended, and to the rules and regulations thereunder.**
- 3) In applying for, and if Applicant is admitted to membership, the FHFA and the FHLBank are authorized to receive any information, examination reports and other supervisory materials provided by the appropriate state or federal regulatory authority or officer exercising supervisory authority over applicant regarding Applicant and its affairs.**
- 4) Applicant will not represent itself to be a member of the FHLBank until it has received notice of approval of membership and has purchased its minimum stock requirement.**

Affidavit Of Managing Officer

State of _____ }

} SS

County of _____ }

I, _____, Managing Officer of

Name of Bank

do solemnly swear that, to the best of my knowledge and belief, the financial statements of said Bank correctly reflect the true financial condition thereof; that said Bank has no undisclosed assets nor any undisclosed liabilities either real or contingent that are not recorded therein; that all notes, mortgages, or other instruments supporting the assets recorded on the Bank's financial statements are in full force and effect and that the signatures appearing thereon are genuine; and that there are no undisclosed commitments, no material pending suits, nor unsatisfied judgments against the Bank, except as follows:

Signature (Managing Officer)

Subscribed and sworn to this _____ day of _____, 20_____

Officer Certification on Corporate, Director, and Senior Officer Conduct

I certify that I am the chairperson, managing officer, or other duly authorized officer of the above applicant and that it is authorized under the laws of the United States and of this State, and under its corporate charter, constitution and bylaws, and by board resolution to apply for membership in, buy stock, do business with, open accounts, maintain deposit(s) in, become a member of the Federal Home Loan Bank referred to, and pay the expenses incident to such application; and that the foregoing has been legally done and validly executed to accomplish such purposes.

Furthermore, at the present time, I certify that except as described in a separate document filed with this membership application:

- **Enforcement Actions**

Neither the applicant nor any of its directors or senior officers is subject to, or operating under, any enforcement action instituted by its appropriate regulator.

- **Criminal, Civil or Administrative Proceedings**

Neither the applicant nor any of its directors or senior officers has been the subject of any criminal, civil or administrative proceedings reflecting upon creditworthiness, business judgment or moral turpitude since the most recent regulatory examination report.

- **Criminal, Civil or Administrative Monetary Liabilities, Lawsuits or Judgments**

There are no known potential criminal, civil or administrative monetary liabilities, material pending lawsuits or unsatisfied judgments against the applicant or any of its directors or senior officers since the most recent regulatory examination report that are significant to the applicant's operations.

Date: _____

Chairperson or Managing Officer

I certify that I am the duly elected, qualified, and acting secretary (or cashier) of the above mentioned applicant and that at a regular meeting of its board of directors/trustees or at a special meeting thereof called for that purpose, a quorum being present, a resolution was adopted, and recorded in the minutes as follows:

“BE IT RESOLVED that this Bank applies for membership in the Federal Home Loan Bank of Indianapolis, that if approved for membership it will subscribe and pay for stock therein as provided in the Federal Home Loan Bank Act, as amended, and that it be fully authorized to do business with, and exercise all of the privileges of membership in said Bank as provided in said Act;”

“BE IT FURTHER RESOLVED that the managing officer and secretary (or cashier) be authorized and directed to execute an application as prescribed by the Federal Housing Finance Agency and any other papers and documents required in connection therewith, to pay all expenses, and to do all other things necessary or proper in connection with applying for, obtaining and retaining such membership privileges thereof as the said Agency may by regulations prescribe.”

I further certify that, pursuant to said resolution, the foregoing application for membership was duly executed and that any information and documents required by the Federal Housing Finance Agency are attached or accompany the same and that said information is correct and said documents are true and correct copies of what the same purport to be.

Signature (Secretary or Cashier)

Mortgage Lending Questionnaire

1) Please place an "X" next to each type of long-term mortgage loan the bank originates. Include originated loans that will subsequently be sold within the secondary market and those originated through subsidiaries:

Original Maturity	Fixed-Rate	Variable-Rate	Amortization Period
5-Year Balloon	_____	_____	_____ Years
7-Year Balloon	_____	_____	_____ Years
10-Year Balloon	_____	_____	_____ Years
10-year	_____	_____	_____ Years
15-year	_____	_____	_____ Years
20-year	_____	_____	_____ Years
30-year	_____	_____	_____ Years
Other	_____	_____	_____ Years
Maximum Loan-to-Value	_____ % (Fixed-Rate)	_____ % (Variable-Rate)	

Other comments regarding home mortgage loan programs offered:

2) Is your bank an approved seller/servicer for: FHLMC? Yes No FNMA? Yes No

3) Does your bank offer mortgage loans on multifamily dwellings? Yes No

If so, please describe briefly the terms offered.

Computation of Residential Mortgage Loan and Long-Term Home Mortgage Loan Requirement

Funded Residential Construction Loans

RC-C.1.a.
Subtract unfunded loans, nonresidential loans, and land development loans.

1. \$ _____

1-4 Family Residential Mortgage Loans

RC-C.1.c.(1) + RC-C.1.c.(2)(a) + RC-C.1.c.(2)(b)
Subtract vacant lot loans and unfunded construction loans.

2. \$ _____

Multifamily Residential Mortgage Loans

RC-C.1.d.
Subtract vacant lot loans and unfunded construction loans.

3. \$ _____

Consumer Loans

RC-C.6.c.
Include manufactured housing loans not secured by real estate but subtract other consumer loans such as auto and educational loans.

4. \$ _____

Mortgage-Backed Securities

RC-B.4.a.(1) + RC-B.4.a.(2) + RC-B.4.a.(3)

5. \$ _____

Mortgage-Derivative Securities

RC-B.4.b.(1) + RC-B.4.b.(2) + RC-B.4.b.(3)

6. \$ _____

Total Residential Mortgage Loans

Sum of Lines 1 through 6

7. \$ _____

Total Assets

8. \$ _____

Percent of Residential Mortgage Loans

Line 7 divided by Line 8

9. _____ %

Long-term Home Mortgage Requirement

Enter the lesser of \$5 million or 10% of Total Residential Mortgage Loans (Line 7)

10. \$ _____

Footnote: In general, an applicant's balance sheet must contain at least 10% of its assets in residential mortgage loans as defined in §1263.1 and §1263.10. Other types of loans not listed above that are residential in nature may also qualify for the 10% requirement and will be reviewed as requested. This requirement is not applicable to banks that are considered community financial institutions (CFIs).

An applicant's balance sheet must reflect ownership of long-term home mortgage loans in the amount of 10% of residential mortgage loans or \$5.0 million, whichever is less. Use the Computation of Long-term Home Mortgages (following page) to identify amounts of long-term home mortgage loans to satisfy this requirement.

Computation of Long-Term Home Mortgages

Date – Latest Quarter-End

For the information entered below, please only include home-mortgage loans that are long-term in nature. As stated in §1263.1, long-term is defined as a term to maturity of five years or greater at the time of origination.

Long-term Home Mortgage Requirement

Carry over Line 10 from Computation of Residential Mortgage Loan & Long-Term Home Mortgage Loan Requirement Worksheet.

1. \$ _____

1-4 Family Residential Mortgage Loans

RC-C.1.c.(1) + RC-C.1.c.(2)(a)

Subtract vacant lot loans and unfunded construction loans. Include only loans with a first-lien position.

2. \$ _____

Multifamily Residential Mortgage Loans

RC-C.1.d.

Subtract vacant lot loans and unfunded construction loans. Include only loans with a first-lien position.

3. \$ _____

Mortgage-Backed Securities

RC-B.4.a.(1) + RC-B.4.a.(2) + RC-B.4.a.(3)

4. \$ _____

Mortgage-Derivative Securities

RC-B.4.b.(1) + RC-B.4.b.(2) + RC-B.4.b.(3)

5. \$ _____

Total Long-term Home Mortgage Loans

Sum of Lines 2 through 5.

6. \$ _____

Percent of Residential Mortgage Loans

Line 6 divided by Line 7 of previous page (Residential Mortgage Loans).

7. _____%

Footnote: An applicant's balance sheet must contain at least 10% of its assets in residential mortgage loans as defined in §1263.1 and §1263.10. Other types of loans not listed above that are residential in nature may also qualify for the 10% requirement and will be reviewed as requested.

Home mortgage loans include both loans and securities with underlying loans that meet the definition of home mortgage loan stated in §1263.1. Other loans/securities that are believed to be long-term home mortgages may also qualify and will be reviewed as requested.