

# Collateral Bulletin

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March 2020

Effective Date: March 26, 2020

## **Change in Collateral Guidelines: Loan Forbearance and Modification Guidance**

FHLBank Chicago recognizes many of our members are working to assist borrowers affected by the COVID-19 pandemic by offering loan modification, renewal, and payment forbearance options. To support our members and their borrowers, we have approved the following changes in our Collateral Guidelines effective March 26, 2020:

- FHLBank Chicago will accept loans granted forbearance due to the COVID-19 pandemic as eligible collateral as long as the loans continue to meet all other eligibility requirements as defined in our Collateral Guidelines.
  - o The policy will remain in effect for the duration of any forbearance assistance provided by the member and applies to all eligible collateral types. We will notify members once the forbearance period is no longer acceptable.
- Loan modifications and renewals (including forbearance) executed with an electronic signature will be accepted as long as an original wet ink signed promissory note from origination is still in full force, in effect, and in possession of the member.
- Please note, new loan originations will need to comply with [operational requirements for eNotes](#).

## **Additional Change in Collateral Guidelines Effective March 26, 2020**

- The Community Financial Institution threshold has been updated from \$1,199,000,000 to \$1,224,000,000.

For additional information on these changes please read the Collateral Guidelines as updated and published on eBanking on March 26, 2020.

If you have questions, please contact Collateral Operations at [collateral@fhlbc.com](mailto:collateral@fhlbc.com) or 1-855-345-2244, option 3.