

Collateral Update: New Forbearance Reporting Requirement

In March, the Federal Home Loan Bank of Chicago (FHLBank Chicago) acted to support our members by announcing loans that were granted forbearance due to COVID-19 would be eligible as collateral provided they continued to meet all other eligibility requirements as detailed in our Collateral Guidelines. This collateral relief measure was communicated in a [Collateral Bulletin](#) and went into effect on March 26, 2020.

As a follow-up to the March announcement, a new reporting requirement around forbearance loans will take effect on October 1, 2020. The eligibility requirements for these loans remain unchanged.

What's Changing: New Forbearance Reporting Requirement

Beginning October 1, 2020, members pledging loans on the Qualified Collateral Reporting (QCR) form will be required to disclose additional information to help us quantify the relief impact and support the continued eligibility of forbearance loans.

You will see the additional details when you file your next QCR report after October 1, 2020. To view an example of the new reporting requirement, click the image below.

1-4 FAMILY CLOSED-END, FIRST-LIEN, HELD FOR SALE		Member Unpaid Principal Balance
1-4 Family Closed-End, First-Lien, Held for Sale		0
Subtractions, if applicable, ineligible/non-qualifying loans		
Loans with payments overdue by more than 30 days and non-accrual loans		0
Loans are greater than 60 days from origination date		0
Current loans classified as troubled debt restructures, special mention, substandard, doubtful or loss (either internally or by a regulatory entity)		0
Loans to directors, officers, employees, attorneys, or agents of the member		0
Loans with any liens or encumbrances, including UCC-1 filings that have a priority lien over the FHLBC's lien		0
Loans with a loan-to-value (LTV) ratio that exceeds FHLBC Collateral Guidelines threshold with no primary mortgage insurance (PMI)		0
Reverse mortgages		0
Loans pledged to other lending institutions		0
Other ineligible loans		0
Total Subtractions		0
Total Eligible 1-4 Family Closed-End, First-Lien, Held for Sale		0
<i>For Informational Purposes Only: Do you have any loans in this portfolio that are indexed to LIBOR and mature after December 31, 2021?</i> <input type="radio"/> Yes <input type="radio"/> No		
<i>Do you have any loans in this portfolio that have been granted a payment deferral as a result of COVID-19 with all or a portion of payment currently being deferred? Please note: Loans where the borrower was granted a deferral but full payments are being made or the borrower has exited the deferral plan should not be considered.</i> <input type="radio"/> Yes <input type="radio"/> No		
		If yes, please enter an amount.
		If yes, please enter an amount.

Reach Out to Us with Questions

For more details on the acceptance of construction loans, please reach out to your Sales Director or our collateral team at collateral@fhlbc.com.