



## **Securities Collateral Frequently Asked Questions**

### **1. Can securities pledged to FHLB Des Moines as collateral be held with a third party custodian?**

Yes, if the custodian bank is a FHLB Des Moines approved custodian bank. You can contact the collateral department at 800.544.3452, ext. 5408 for list of approved custodian banks. A Collateral Custodial Agreement executed by all three parties: the member, the custodian bank and FHLB Des Moines must also be provided to FHLB Des Moines

### **2. Can members pledge securities and receive credit in their total collateral balance the same day for securities collateral held with an approved third party custodian bank?**

FHLB Des Moines will give collateral value credit to all members pledging securities as soon as the Collateral Department receives a pledge confirmation from the custodian holding the security. Periodically there can be delays in receiving the confirmation from third party custodian banks.

Securities that are safe-kept with FHLB Des Moines or delivered and received by FHLB Des Moines prior to the cut-off time will be included in the member's collateral balance the same day.

### **3. After I have submitted a security collateral pledge request to FHLB Des Moines through eAdvantage, what do I need to do to complete the pledge?**

Please contact the custodian bank holding the pledged security and complete the forms they require for transferring the pledged security into a FHLB Des Moines collateral custody account. Instructions for delivering securities to a collateral custody account at FHLB Des Moines are available on the 'How to Pledge and Release Collateral' section of the website.

### **4. What do I send to the securities custodian to pledge a security as collateral?**

Members can send their custodian the Confirmatory Assignment for the securities pledged as collateral prior to submitting the online pledge to FHLB Des Moines. Members should contact their custodian directly for any alternate or additional instructions they have for processing a securities collateral pledge.

### **5. What fees are associated with pledging securities as collateral to FHLB Des Moines?**

Members pledging securities safe-kept with FHLB Des Moines do not incur collateral fees, but will pay safekeeping fees. For further details on FHLB Des Moines' safekeeping fees, please contact Member Financial Services at 1.800.544.3452 ext. 5415 or [safekeeping@dhlbdm.com](mailto:safekeeping@dhlbdm.com).

Members pledging securities collateral safe-kept with a third party custodian will pay \$25.00 at pledging and \$6.00 per pledged security each month the security is pledged to FHLB Des Moines.

**6. Does FHLB Des Moines provide safekeeping services?**

Yes. Please contact FHLB Des Moines' Member Financial Services Department at 1.800.544.3452, ext. 5415 or [safekeeping@fhlbdm.com](mailto:safekeeping@fhlbdm.com) for further information.

**7. Where can we find instructions for delivering securities collateral to FHLB Des Moines' safekeeping?**

Securities collateral delivery instructions are available on the 'How to Pledge and Release Collateral' section of the website.

**8. What is FHLB Des Moines securities collateral delivery cut off time?**

All settlement instructions must be received by 11:00 AM CST for same day processing and trade received by 1:30 PM CST.

Securities received without prior notification to FHLB Des Moines will be returned by 1:30 PM CST.

**9. When are prices for securities pledged as collateral updated?**

Effective November 14, 2011, all pledged securities collateral will be priced weekly. Updated pledged securities collateral prices are generally included in members' advance equivalent value mid-week.

**10. When is the advance equivalent value of pledged mortgage-backed securities (MBS) collateral updated for principal payments?**

FHLB Des Moines updates MBS principal payment factors weekly following the information being announced and prior to member receiving the cash payment. Members' MBS collateral advance equivalent value is adjusted at the time FHLB Des Moines updates the principal factor.