

**FEDERAL RESERVE BANK OF NEW YORK (FRBNY)**  
**BORROWER-IN-CUSTODY (BIC) OF COLLATERAL**  
**CREDIT CARD RECEIVABLES CERTIFICATION FORM**

**A. DEPOSITORY INSTITUTION INFORMATION**

Institution Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

ABA: \_\_\_\_\_

Contact (primary): \_\_\_\_\_

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

Telephone: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Contact  
(secondary): \_\_\_\_\_

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

Telephone: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**Handwritten certifications will not be accepted.**

New BIC     Existing BIC

**Note: If this is an application for a new BIC arrangement, please respond to the questions indicating the method that you would employ to meet the established BIC Collateral Program Requirements.**

Prior to completing this form, verify if an updated version is available at the following link:  
[http://www.newyorkfed.org/banking/collateral\\_pledging\\_forms.html](http://www.newyorkfed.org/banking/collateral_pledging_forms.html). If needed, contact the Discount Window at [Discount.Collateral@ny.frb.org](mailto:Discount.Collateral@ny.frb.org) for a Microsoft Word version of this form.

**B. BIC OVERVIEW**

1. Indicate the method(s) utilized by your institution to originate the credit card receivables that are pledged, or if you purchase the receivables, the form they are purchased in:

Electronic                       Tangible

If the receivables are originated or purchased in tangible form, indicate if your institution does any of the following with the original tangible documents. Please consider if multiple responses are appropriate.

- Image and Destroy
- Image and Store at a Third-Party Custodian (TPC) (including affiliates)
- Image and Store at our location
- Store at our location

*Note: If you select Image and Destroy or Image and Store at a TPC, you must complete the appropriate imaging addendum available at the following link: [https://www.newyorkfed.org/banking/collateral\\_pledging\\_forms.html](https://www.newyorkfed.org/banking/collateral_pledging_forms.html)*

**2.** Which entity originated the credit card receivables?

- Our institution
- A subsidiary of our institution
- A subsidiary (direct or indirect) of our bank holding company that is not a subsidiary of our institution
- Other (please specify) \_\_\_\_\_

**3.** If the receivables were not originated by your institution, how were the receivables assigned or transferred to your institution?

**3a.** Has your institution filed a UCC-1 against the transferor?  Yes  No, please explain below

**4.** Explain how the current balance of the credit card receivables can be retrieved.

**5.** Will subprime credit card receivables be included in your pledge?  Yes  No

**6.** How does your institution make a distinction between prime and subprime customers?

**7.** What are the following policies governing the credit cards?

- New Accounts
- Re-Aging of past due accounts
- Charge-Off
- Recoveries

**8.** Have the policies identified above changed since your last certification?

- Yes (provide a summary of changes)  No  N/A, new BIC application

**9.** Provide your internal performance statistics for the pledged credit card receivables for the past year. Provide an as of date.

- Number of accounts pledged
- Total outstanding principal balance
- Gross rate of charge-offs
- Total delinquencies reported according to regulatory guidelines
- Roll rates according to delinquency bucket

**10.** Does any other party have a lien (blanket or specific) on the credit card receivables pledged to the FRBNY?  
 Yes  No

If yes, please list the name of the organization(s) that has a lien on the loans being pledged to the Federal Reserve Bank of New York (e.g. FHLB, Corporate Credit Union, Other):

Organization Name:

Primary Contact Name:

E-mail address:

Phone:

*Note: FRBNY may choose to share collateral schedule information with other lien holders to ensure double pledging of collateral does not occur; or may enter into subordination or similar agreements to establish priority with respect to the pledged receivables.*

### C. STORAGE AND SERVICING

**11.** Please provide the physical location of the tangible BIC collateral. If it is at the same address as indicated on Page 1 of this document, you must still complete this section. If multiple locations are utilized, indicate each location.

Name of Institution:

Address (include floor number):

City, State and Zip:

**12.** Since your last annual certification, has the location of the collateral changed?

Yes, FRBNY was notified  Yes, FRBNY was not notified  No  Not applicable – New BIC

**13.** Does your institution utilize a third party to service the credit card receivables (e.g. billing, collect payments, etc.)?  Yes  No

**13a.** If a “yes” response was provided to question number 13, briefly describe the third party’s responsibilities (e.g. collect payments, etc.).

**14.** Are the cards internally serviced?  Yes  No

**14a.** If the cards are internally serviced, does your institution have a contingency plan should there be a disruption in service?  Yes  No, please explain below.

**15.** If you checked the box for Image and Store at our location or Store at our location in question #1, you must answer this question. If you checked the box Image and Destroy in question #1, you must answer this question if the loans are pledged at any time before destruction.

Stored in fire-resistant environment

Type of Storage:  file cabinets  shelves  other (explain below)

Location of Storage:  file room  vault  other (explain below)

Stored in a secure environment (e.g., combination locks, keypad entry, etc.)

- Physical access is controlled and limited to specific individuals
- A process is in place to track the removal and return of pledged documentation (e.g., log)
- Other (provide details) \_\_\_\_\_

#### D. COLLATERAL IDENTIFICATION

16. It is a requirement of the BIC program that collateral pledged to the FRBNY must be prominently identified at your institution. Indicate below how your institution identifies the collateral as pledged to the FRBNY.

**Please refer to the Collateral Identification section of the BIC Collateral Program Requirements for required labeling.**

- Notation on General Ledger and/or Field in Loan System **indicating that the loans are pledged to the FRBNY**  
**Explain notation (e.g., indicate code used):**\_\_\_\_\_
- Label on Individual Physical Files **indicating that the loans are pledged to the FRBNY**
- Label on File Cabinets **indicating that the loans are pledged to the FRBNY**
- Visible Notice in Specific Custody Area **indicating that the loans are pledged to the FRBNY**
- Physical Segregation of the Collateral
- Other (please specify):\_\_\_\_\_

17. For pledging purposes, credit card receivables should be classified under the applicable call report line item and reported appropriately on the pledge cover letter. Does your institution have a process in place to ensure that pledged credit card receivables are reported correctly based on the call report line item?

- Yes  No, please explain below

#### E. COLLATERAL MONITORING

It is a requirement of the BIC program that if the aggregate outstanding balance of the loans on the most recently submitted collateral schedule decreases by 10 percent (applies to the individual BIC arrangement) or more between monthly reporting periods, you must immediately notify the FRBNY and update your collateral schedule.

***Please note that at a minimum, weekly monitoring is required. Refer to the Collateral Updates and Monitoring section of the BIC Collateral Program Requirements for additional information.***

18. Please confirm that all of the following steps are taken (or would be taken) to comply with the 10 percent monitoring and reporting requirement:

- The total outstanding pledge balance for each individual BIC arrangement is compared to the most recently submitted collateral schedule to determine if the value decreased by 10 percent or more between reporting periods
- If a 10 percent decrease occurs, a cover letter and updated collateral schedule is immediately submitted to [BIC@ny.frb.org](mailto:BIC@ny.frb.org).

19. How does your institution monitor collateral levels between reporting periods? As part of your response, indicate the monitoring tools used (e.g., queries, reports, etc.).

19a. How frequently are collateral levels monitored?  Daily  Weekly

20. How frequently are the accounts monitored to ensure that delinquent (60 days past due) or sold accounts are removed from the collateral pool in a timely manner?

Daily  Weekly

## F. DATA QUALITY

21. How does your institution ensure the data used to create the collateral schedule is accurate?

22. Please provide the following documentation:

- Most recent audit report of your institution's compliance with BIC Collateral Program Requirements including management's response to any findings.
- *For new BIC applicants, submit the most recent audit report pertaining to the credit card receivables.*

**AUTHORIZATION**

**PLEASE HAVE THE APPROPRIATE OFFICIALS AND AUDITOR OF YOUR INSTITUTION REVIEW AND SIGN THIS FORM.**

I have reviewed the above responses and attest that the responses are accurate.

*\*Authorized individuals listed on the Borrowing Resolution (line 2) or the Official OC-10 Authorization List as a pledgor.*

\_\_\_\_\_  
Authorized Signature\*

\_\_\_\_\_  
2<sup>nd</sup> Authorized Signature, if applicable\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

I certify that I am in receipt of and have reviewed the Federal Reserve Bank of New York's Borrower-In-Custody Collateral Program Requirements and Operating Circular 10 (OC10). Further, I attest that all relevant internal policies and procedures have been reviewed and examined for Borrower-In-Custody program conformance and confirm this institution to be in compliance.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

I am an  internal auditor  external auditor  responsible director (**Note 1**)

**Note 1:** *The director must not be directly responsible for discount window borrowing or collateral pledging and should not appear on the Official OC10 Authorization List on file for your institution.*

**E-MAIL INSTRUCTIONS**

Using [FRSecure](#) or other approved secured transmission method; send a signed copy of the BIC Certification form and all attachments to the following e-mail address: [Discount.Collateral@ny.frb.org](mailto:Discount.Collateral@ny.frb.org). Please indicate one of the following applicable subject lines and include your institution's ABA number at the end of the subject line: **Annual BIC Certification Form** or **New Applicant BIC Certification Form**. For example: *Annual BIC Certification Form – ABA 123476789*