

APPENDIX C: Definitions of High Cost Loan, Covered Loan, and Home Loan

Pursuant to the Products Policy, members may not pledge High Cost Loans and Covered Loans to the Bank as eligible collateral. High Cost Loans and Covered Loans are excluded from the definition of Qualified Collateral.

Definition: For the purposes of the Products Policy, except as otherwise provided in Appendix C or elsewhere in the Products Policy, “High Cost Loan”, “Covered Loan”, and “Home Loan” shall each have the meaning given that term in Standard and Poor’s (S&P’s) “Glossary for File Form for LEVELS®”, as amended from time to time (“LEVELS® Glossary”).¹ Each category of loans that qualify as High Cost Loans, Covered Loans, or Home Loans is listed in Appendix E of the LEVELS® Glossary (“LEVELS® Appendix E”).

For the convenience of members, the Bank has attached a list of the categories of each jurisdiction that constitute either a High Cost Loan, Covered Loan, or Home Loan as of December 31, 2008. However, members must not rely solely on the attached list, as LEVELS® Appendix E is amended from time to time as new laws are enacted. The Bank will update this list at least annually. However, in all cases, except where specifically amended by this Appendix C or the Products Policy, LEVELS® Appendix E is determinative of what constitutes a High Cost Loan, Covered Loan, or Home Loan.

Jurisdiction	Name of Anti-Predatory Lending Law and Effective Date	Prohibited Categories Under Applicable Anti-Predatory Lending Law
Arkansas (State of)	Arkansas Home Loan Protection Act, Ark. Code Ann. §§ 23-53-101 <u>et seq.</u> Effective July 16, 2003	High Cost Home Loan
Cleveland Heights, Ohio (City of)	Ordinance No. 72-2003 (PSH), Mun. Code §§ 757.01 <u>et seq.</u> Effective June 2, 2003	Covered Loan
Colorado (State of)	Consumer Equity Protection, Colo. Stat. Ann. §§ 5-3.5-101 <u>et seq.</u> Effective January 1, 2003	Covered Loan
Connecticut (State of)	Connecticut Abusive Home Loan Lending Practices Act, Conn. Gen. Stat. §§ 36a-746 <u>et seq.</u> Effective October 1, 2001	High Cost Home Loan
District of Columbia	Home Loan Protection Act, D.C. Code §§ 26-1151.01 <u>et seq.</u> Effective for loans closed on or after January 28, 2003	Covered Loan
Florida (State of)	Fair Lending Act, Fla. Stat. Ann. §§ 494.0078 <u>et seq.</u> Effective October 2, 2002	High Cost Home Loan
Georgia (State of)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 <u>et seq.</u> Effective for loans closed on or after March 7, 2003	High Cost Home Loan Home Loan (October 1, 2002 - March 6, 2003)
Illinois (State of)	High Risk Home Loan Act, Ill. Comp. Stat. tit. 815, §§ 137/5 <u>et seq.</u> Effective January 1, 2004	High Risk Home Loan
Indiana (State of)	Indiana Home Loan Practices Act, Ind. Code Ann. §§24-9-1-1 <u>et seq.</u> Effective for loans originated on or after January 1, 2005	High Cost Home Loan Home Loan

¹ The LEVELS® Glossary is available on the Internet at www.levels.com. The Bank is using S&P’s LEVELS® Glossary because it is a standard in the secondary mortgage market, and thereby allows members to use the same screening method for three purposes: (1) use as Qualified Collateral; (2) sale into MPF®; and (3) sale into the conventional secondary market.

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Jurisdiction	Name of Anti-Predatory Lending Law and Effective Date	Prohibited Categories Under Applicable Anti-Predatory Lending Law
Kansas (State of)	Consumer Credit Code, Kan. Stat. Ann. §§ 16a-1-101 <u>et seq.</u> Sections 16a-1-201 and 16a-1-206 effective April 19, 1999 Section 16a-3-308 effective July 1, 1999	High Loan to Value Consumer Loan High APR Consumer Loan
Kentucky (Commonwealth of)	2003 Ky. HB 287 – High Cost Home Loan Act, Ky. Rev. Stat. §§360.100 <u>et seq.</u>	High Cost Home Loan
Maine (State of)	Truth in Lending, Me. Rev. Stat. tit. 9-A, §§8-101 <u>et seq.</u> As amended by 2007 ME Laws 273. Effective January 1, 2008	High Rate High Fee Mortgage
Massachusetts (Commonwealth of)	Part 40 and Part 32, 209 CMR §§32.00 <u>et seq.</u> and 209 CMR §§40.01 <u>et seq.</u> Effective March 22, 2001 Massachusetts Predatory Home Loan Act Mass. Gen. Laws Chapter 183C, §§ 1 <u>et seq.</u> Effective November 7, 2004	High Cost Home Loan High Cost Home Mortgage Loan
Nevada (State of)	Assembly Bill No. 284, Nev. Rev. Stat. §§598D.010 <u>et seq.</u> Effective October 1, 2003	Home Loan
New Jersey (State of)	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§46:10B-22 <u>et seq.</u> Effective for loans closed on or after November 27, 2003	High Cost Home Loan Covered Home Loan (November 27, 2003 – July 5, 2004) Home Loan
New Mexico (State of)	Home Loan Protection Act, N.M. Rev. Stat. §§58-21A-1 <u>et seq.</u> Effective as of January 1, 2004; Revised as of February 26, 2004	High Cost Home Loan Home Loan
New York (State of)	New York Banking Law Article 6-1 Effective for applications made on or after April 1, 2003	High Cost Home Loan
North Carolina (State of)	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat. §§24-1.1E <u>et seq.</u> Effective July 1, 2000; Amended October 1, 2003	High Cost Home Loan Consumer Home Loan
Ohio (State of)	H.B. 386 (codified in various sections of the Ohio Code), Ohio Rev. Code Ann. §§1349.25 <u>et seq.</u> Effective May 24, 2002	Covered Loan
Oklahoma (State of)	Consumer Credit Code (codified in Title 14A) Effective July 1, 2000; amended effective January 1, 2004	Subsection 10 Mortgage
Rhode Island	Rhode Island Home Loan Protection Act, R.I. Gen. Laws §§ 34-25.2-1 <u>et seq.</u> Effective December 31, 2006	High Cost Home Loan
South Carolina (State of)	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann. §§37-23-10 <u>et seq.</u> Effective for loans taken on or after January 1, 2004	High Cost Home Loan Consumer Home Loan
Tennessee	Tennessee Home Loan Protection Act, Tenn. Code Ann. §§ 45-20-101 <u>et seq.</u> Effective January 1, 2007	High Cost Home Loan
West Virginia (State of)	West Virginia Residential Mortgage Lender, Broker, and Servicer Act, W. Va. Code Ann. §§31-17-1 <u>et seq.</u> Effective June 5, 2002	West Virginia Mortgage Loan Act Loan

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