

insurance purchased from an insurer that is rated not lower than the second highest credit rating. If the rating of the insurer falls below the second highest credit rating, the member or housing associate shall have 60 days to replace the insurer with another insurer rated not lower than the second highest credit rating.

(c) *Grandfathered transactions.* Assets acquired in transactions otherwise authorized by resolution of the Finance Board and that are within any total dollar cap established by the Finance Board at the time of such authorization, shall not be subject to the requirements of this section.

§ 955.6 Restructuring of AMA.

A Bank shall not alter the credit risk-sharing structure of any AMA that it has acquired, nor shall it take any actions with the intent or effect of altering the actual or putative credit rating of any such AMA, without the prior approval of the Finance Board. A Bank also shall not sell or otherwise use any AMA in order to create a new type of asset, including assets described in § 955.3(c), without prior Finance Board approval.

§ 955.7 Reporting requirements.

(a) *Bank responsibility for collecting and maintaining data.* Each Bank that has members or housing associates that have provided the initial credit enhancement for AMA, shall be responsible for collecting and maintaining the loan-level and pool-level data required by this section for all residential mortgage loans that constitute or otherwise back such AMA, including assets described in § 955.3(c).

(b) *Loan-level data elements.* The loan-level data collected and maintained by each Bank shall include the data elements specified in Appendix A, Parts I and II, or in Appendix B, Parts I and II.

(c) *Pool-level data elements.* The pool-level data collected and maintained by each Bank shall include the data elements specified in Appendix A, Part III, or in Appendix B, Part III.

(d) *Quarterly Mortgage Reports.* Beginning in calendar year 2004, each Bank that is required to collect and maintain data under this section shall be responsible for submitting such data to the Finance Board within 60 days of the end of each calendar quarter and in a machine-readable format specified by the Finance Board.

(e) *Additional reports.* The Finance Board may at any time require a Bank to submit reports in addition to those required under paragraph (d) of this section.

§ 955.8 Administrative and investment transactions between Banks.

(a) *Delegation of administrative duties.* A Bank may delegate the administration of an AMA Product to another Bank whose administrative office has been examined and approved by the Finance Board to process AMA transactions. Prior to entering into any AMA-related agreements with a member or housing associate, a Bank shall disclose the existence of any such delegation, or the possibility that the Bank may later make such a delegation.

(b) *Terminability of agreements.* Any agreement made between two or more Banks in connection with any AMA Product shall be made terminable by either party after a reasonable notice period.

(c) *Delegation of pricing authority.* A Bank that has delegated its AMA pricing function to another Bank shall retain a right to refuse to acquire AMA at prices it does not consider appropriate.

§ 955.9 Risk-based capital requirement.

(a) *General.* Until a Bank implements its capital structure plan and complies with part 932 of this chapter, it shall hold retained earnings against any outstanding AMA for which the estimated credit rating is less than the second highest category of investment grade.

(b) *Requirement.* The amount of retained earnings to be held under this section shall be at least equal to the product of the outstanding balance of the AMA and the factor associated with its putative credit rating, as set forth in Table 1 of this section.

TABLE 1

Putative credit rating of AMA	Percentage applicable to on-balance sheet equivalent value of AMA
Third Highest Investment Grade	0.90
Fourth Highest Investment Grade	1.50
If Downgraded to Below Investment Grade After Acquisition By Bank:	
Highest Below Investment Grade	2.25
Second Highest Below Investment Grade	2.60
All Other Below Investment Grade	100.00

Appendix A to Part 955—Reporting Requirements for AMA That Are Single-Family Residential Mortgage Loans or Single-Family Residential Mortgage Loans Backing AMA

Part I—Fields To Be Reported for All Such Loans Acquired During the Calendar Quarter

1. *Bank District Flag*—Two-digit code designating the District Bank where the member institution that initially provides the credit enhancement for the AMA is located.

2. *Program Type*—Two-digit code, as designated by the Finance Board, identifying AMA Program type (e.g., MPP-FHA; MPP-100, etc.).

3. *Loan Number*—Bank assigned numeric identifier, unique to each mortgage loan within a Bank's AMA portfolio.

4. *Pool Number*—Bank assigned numeric identifier for the pool in which the mortgage loan is a part; the Pool Number should be unique within a Bank's AMA portfolio.

5. *U.S. Postal State*—Two-digit Federal Information Processing Standard (FIPS) code for the property.

6. *U.S. Postal Zip Code*—Five-digit zip code for the property.

7. *MSA Code*—Five-digit code for the property's Metropolitan Statistical Area (MSA).

8. *County*—Three-digit FIPS code for the property's county, as designated in the most recent decennial census by the Bureau of the Census.

9. *Census Tract/Block Numbering Area (BNA)*—Tract/BNA number for the property as used in the most recent decennial census by the Bureau of the Census.

10. *Borrower(s) Annual Income*—Combined income of all borrowers at the time of mortgage loan origination.

11. *Acquisition Unpaid Principal Balance (UPB)*—UPB in whole dollars of the mortgage loan when the loan was first acquired by a Bank, or of each mortgage loan backing an asset when such asset was first acquired by a Bank.

12. *Loan-to-Value (LTV) Ratio at Origination*—LTV ratio of the mortgage loan at the time of origination.

13. *Date of Mortgage Loan*—Date the mortgage loan was originated.

14. *Date of Acquisition*—Date a Bank first acquires the mortgage loan, or the asset backed by the mortgage loan.

15. *Purpose of Mortgage Loan*—Code indicating the purpose of the mortgage loan (e.g., purchase money mortgage, refinancing, construction mortgage, property rehabilitation).

16. *Product Type*—Code indicating the product type of the mortgage (e.g., fixed rate mortgage, adjustable rate mortgage (ARM), balloon mortgage, graduated payment mortgage (GPM) or growing equity mortgage (GEM), reverse annuity mortgage, or other).

17. *Federal Insurance or Guarantee*—Code that indicates whether any part of the mortgage loan has Federal insurance or a Federal guarantee, and from which agency.

18. *Primary Mortgage Insurance Percent*—Percent of loan balance at origination covered by private and/or government mortgage insurance.