

**MORTGAGE OPERATIONS COUNTERPARTY PILOT PROGRAM  
REQUEST FOR INFORMATION**

Please submit all of the following materials to [pilotinfo@ny.frb.org](mailto:pilotinfo@ny.frb.org) by **September 30, 2014**.

**1. Organization and Governance**

- a. Copy of the firm's original formation documents.
- b. Description of the firm's ownership structure, including the following:
  - i. For beneficial owners:<sup>1</sup> full legal name, date of birth, SSN, address of residence, country of citizenship, biography (including details on work experience), ownership percentage, EIN (in case of corporate entity)
  - ii. For control persons:<sup>2</sup> full legal name, date of birth, SSN, address of residence, country of citizenship, biography (including details on work experience), relationship to the entity.
- c. Organizational chart of the firm's consolidated group, describing the relationships between each entity, including ownership and control information of every entity

**2. Financial Condition**

- a. Description of the financial condition of the firm and the consolidated corporate group to which it belongs, including audited financial reports (with notes) from the last three (3) years and the most recent quarterly financial statements.
- b. Financial and Operational Combined Uniform Single (FOCUS) reports, or the equivalent such reports, for the firm for the fiscal year end month for the past three (3) years and the most recent month of the current year

**3. Regulation**

- a. Information identifying the primary regulator of the firm and the primary regulators of all other entities within the consolidated corporate family
  - i. To the extent permissible under the applicable regulatory regime, the firm shall seek consent from its regulator(s) to provide the FRBNY with copies of its three (3) most recent examination reports.
- b. Description of material past or pending legal or regulatory matters involving or affecting the firm, its subsidiary or affiliates, its beneficial owners or control persons for the last ten (10) years. A matter is material for these purposes if it is required to be filed in securities disclosures (or would be if the firm were a public entity).

**4. Compliance Regime**

- a. Organizational chart of the firm's compliance function, including number of employees in compliance function, years of service in their roles, descriptions of their role and responsibilities in implementing the firm's compliance program, and biographies for top three (3) compliance officers

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<sup>1</sup> For these purposes, a beneficial owner is defined as any entity or individual with a 10 percent or greater direct or indirect beneficial ownership interest in the firm.

<sup>2</sup> For these purposes, control persons are defined as individuals or entities with direct or indirect control over the applicant, including but not limited to anyone with power of attorney, executive management (e.g., CEO, CFO, etc.), and members of the Board of Directors, general partner(s) or managing member(s) of the firm.

- b. Copy of the firm's compliance policies and procedures, including any materials related to internal controls for fixed income operations.
- c. Documentation on the firm's Anti-Money Laundering Program, including:
  - i. AML policies and procedures
  - ii. Know Your Customer (KYC) policies and procedures (including Customer Identification Program, Customer Due Diligence and Enhanced Due Diligence)
  - iii. Risk assessment methodology
  - iv. Transaction monitoring policies and procedures (including Suspicious Activity Reporting processes)
  - v. AML Training Program
  - vi. AML Independent Testing policies and procedures
  - vii. Policies and procedures as they relate to the USA PATRIOT Act (specifically, Sections 311, 312, 313(a) and (b), 314 (a) and (b), 319 (a) and (b))
- d. Documentation on the firm's Office of Foreign Assets Control ("OFAC") Program, including:
  - i. OFAC policies and procedures (including details on OFAC transaction monitoring, filtering and reporting, blocking funds, annual OFAC reporting, updating the OFAC list, and the firm's OFAC risk assessment)
  - ii. OFAC Training Program

**5. Internal Controls**

- a. Description of the firm's corporate governance policies
- b. Description of the firm's internal control environment, including related policies and procedures
  - i. Copies of the three (3) most recent Internal Audit reports related to fixed income operations conducted by the firm's Internal Audit group
  - ii. Copy of Internal Audit policies and procedures
- c. Business continuity plan or a description of the contingency arrangements with respect to the business areas in the markets relevant to the transactions contemplated with FRBNY

**6. Customer Base**

- a. Description of the firm's customer base and distribution network, including types of customers served and geographic distribution of customers.
- b. Percentage of customers that operate in High Risk industries or High Risk jurisdictions (as defined in the AML Program) and percentage of revenues derived from such customers

**7. Other**

- a. Any other information you think the FRBNY may deem relevant to its review and selection of participants in the pilot program, such as
  - i. Rating agency reports

- ii. Investment analyst reports written about the firm
- iii. Other quantitative or qualitative information about the firm and its characteristics and activities