

Amendments to Appendix 5 (Correspondent Credit and Payment Agreement)
to Operating Circular No. 10 (Lending)

This memorandum details certain amendments to Appendix 5 to Operating Circular No. 10 and its appendices (“Correspondent Agreement”). Amendments to the Correspondent Agreement are necessary to ensure that individuals authorized by the Correspondent are notified when its Respondent requests an advance or seeks to repay of an advance and of the resulting credit or debit, respectively, to the Correspondent’s master account. The amendments to the Correspondent Agreement also require the Correspondent to verify the accuracy of the authorized individuals listed in Exhibit 1 (Letter of Agreement to Correspondent Agreement) to the Correspondent Agreement (“Correspondent Letter”) and to update the list of authorized individuals in the Correspondent Letter as necessary to ensure its accuracy. These updates include adjustments to make the Correspondent Agreement more consistent with other Operating Circulars and changes to improve the customer experience. The Correspondent Agreement will include fillable PDF format. Included below are descriptions of the substantive amendments to the Correspondent Agreement, broken down into two sections to prioritize the more impactful changes first.

Material amendments to OC-10 and its appendices

Section/Form Document	Proposed Amendment	Purpose
2.0 (Communications)	This newly added section states that if requested by the Reserve Bank, the Borrower must include authorized individuals of the Correspondent identified in the Correspondent Letter on communications between the Reserve Bank and Borrower concerning any credits or debits to the Correspondent’s master account for an advance or advance repayment, respectively.	This newly added section clarifies that the Borrower is responsible for ensuring that its Correspondent is aware of credits or debits to the Correspondent’s master account for an advance or advance repayment, respectively. Additionally, Section 2.0 states that the Reserve Bank is not responsible for the Borrower’s failure to include its Correspondent on any communications concerning any advance or advance repayment.
4.2 (Notice of Debit and Credit)	In this section, reference to the Correspondent’s “employee” is removed and replaced with “authorized individual.”	This change clarifies that an advice to the Correspondent cannot be sent to any employee of the Correspondent, but rather, an advice must in the first instance be sent to an authorized individual identified by the Correspondent in the Correspondent Letter.

Secretary's Certification in Letter of Agreement	This newly added Secretary's Certification to the Letter of Agreement requires a certifying official who is the secretary or assistant secretary of the Correspondent or another officer or similar or higher rank to certify the statements in the Letter of Agreement	A Secretary's Certification is necessary to confirm the identity of the individual authorized to sign the Letter of Agreement on behalf of the Correspondent and bind the Correspondent to the terms of the Correspondent Agreement.
Newly Added Language to Letter of Agreement	Language is added to the Letter of Agreement that states the Correspondent must update the list of authorized individuals in the Letter of Agreement as necessary to ensure its accuracy and states the Reserve Banks are not responsible for the Correspondent's failure to do so.	The additional language reflects the Correspondent's responsibility to provide the Reserve Bank with accurate information for the individual authorized by the Correspondent in the Letter of Agreement to act on the Correspondent's behalf and requires the Correspondent to inform the Reserve Bank of any changes to that list of individuals.

Other substantive amendments to the Correspondent Agreement and Letter of Agreement

Section/Form Document	Proposed Amendment	Purpose
Global changes	Changes are made globally to the Correspondent Agreement to closely align with OC-10, in particular, the following sections were edited to clarify correlation to OC-10: • 1.1 (Scope) • 1.3 (Scope) • 4.1 (Notice of Debit and Credit) • 6.1 – 6.6 (Correspondent's Approval of a Debit)	These amendments direct readers to relevant sections in OC-10 and other sections Correspondent Agreement for clarity and specificity and match defined terms in other provisions of the Correspondent Agreement and OC-10.

1.1 (Definitions)	The definition of “Correspondent Letter” was added because Exhibit 1 (Letter of Agreement to Correspondent Agreement) was not previously defined.	This added definition is intended to provide clarity and ease of reference throughout the document.
1.1 (Definition)	“Correspondent” is removed as a defined term in the Correspondent Agreement it is already a defined term in OC-10.	“Correspondent” is used and defined in OC-10. Removing the definition is useful for consistency with OC-10.
3.1 (Advance)	Language is added to this section to clarify that the Correspondent is only required to provide promptly to the Reserve Banks the information identified in that section only in response to a request from the Reserve Bank.	This language provides a clarification that the requirement that the Correspondent provide information promptly applies only in response to a request from the Reserve Banks.