

Membership Criteria:

As set forth in the Operating Agreement, each member bank:

- is an FDIC-insured depository institution, and is not subject to a threat to terminate its FDIC deposit insurance;
- has filed and will continue to file (i) Consolidated Reports of Condition and Income on FFIEC Form 041 and (ii) has consolidated financial statements, that each present fairly, in all material respects, the financial position of the Member Bank, each as of and for all applicable financial reporting periods during its Consortium membership, the results of its operations and its cash flows for each of such periods, in conformity with U.S. generally accepted accounting principles, and to represent that, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Member Bank's internal control over financial reporting as of the end of such reporting periods was effective based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and that there have been no material weaknesses or significant deficiencies in such internal controls during such periods which are reasonably likely to adversely affect the Member Bank's ability to record, process, summarize, and report financial information;
- has and will maintain, and can demonstrate, a minimum technical expertise and staffing time to support USDF activities, including expertise involving:
 - technology;
 - BSA, anti-money laundering;
 - Consumer protection; and
 - Risk management, including:
 - Operational Risk, including evolving technologies, risk of hacking and fraud;
 - Liquidity Risk;
 - Strategic Risk; and
 - Compliance Risk;
- Is willing to seek supervisory non-objection to its USDF activities from its primary supervisor and will only offer USDF after receipt of applicable regulatory non-objection (if such non-objection is required by Applicable Law or any Governmental Authority);
- is in compliance in all material respects with all laws and regulations to which it is subject, and has not received a notification or communication from any agency or department of federal, state or local government that it is the subject of any investigation or other proceedings, whether criminal, administrative or civil in nature that would adversely affect the Member Bank's performance of its Consortium obligations and, if applicable, agrees to provide a copy of any such notice to the Consortium or a summary of such notice, consistent with Applicable Law;
- complies in all material respects with all applicable provisions of the Bank Secrecy Act ("BSA") and the rules and regulations thereunder, including those requirements of the Customer Identification Program, compliance with requirements imposed by the United States Department of the Treasury's Financial Crimes Enforcement Network and Office of Foreign Assets Control (including screening requirements relating to Specially Designated Nationals and blocked persons); has established a written anti-money laundering compliance program as required by and in compliance with BSA as well as any implementing rules, regulations, executive orders and guidance (collectively, the "BSA Rules") and that the Member Bank is not aware of any BSA/AML or consumer compliance matters that affect its ability to obtain performance as expected hereunder; that during the previous five (5) years it has not received a public sanction from any regulatory authority due to a violation of applicable BSA Rules; and upon request by the Consortium, agrees have its BSA Officer serve on a Consortium BSA working group to ensure the Consortium complies with the BSA Rules and to confirm individual Member Bank compliance with the BSA Rules;
- has minimum data, physical and cyber security infrastructure (including but not limited to end-to-end transport encryption, managed key management with periodic rotation, and full disk encryption) in place without any outstanding or threatened regulatory enforcement actions that materially impact the ability of the bank to safely engage in minting USDF and agrees to cooperate with a compliance audit of each security program on an annual basis, and such other audits as may be requested by Consortium to ensure the secure operations of the Consortium;
- is "well capitalized" within the meaning of 12 C.F.R. §§ 6.4(b)(1), 225.2(r) or 324.403(b)(1);
- is not subject to or has been threatened with an enforcement action by a regulatory authority that would threaten or materially impair its ability to participate in the Consortium and/or perform its obligations as a Member Bank, and if applicable, agrees to provide a copy of any such notice to the Consortium or a summary of such notice to the extent legally permissible; and
- has an overall CRA rating of "Satisfactory" or better from its applicable supervising regulatory authorities and has not been threatened with a downgrade to less than "Satisfactory."