

## **OVERNIGHT ADVANCES STOCK-INVESTMENT REQUIREMENT REDUCTION**

The Federal Home Loan Bank of Boston (the Bank) will adjust to three percent (3%) the activity-based stock-investment requirement for all overnight advances. This reduction from 4.5% will be made available for overnight advances disbursed after August 15, 2005, and will remain in effect at the discretion of the board of directors.

The Bank's decision to reduce the stock requirement gives members the opportunity to take better advantage of the overnight advances while also enabling the Bank to increase its leverage of existing paid-in capital. You will be notified at least 30 days in advance of the effective date of any subsequent change to the activity-based stock-investment requirement.

The activity-based stock-investment requirement percentage is set as of the date an overnight advance is committed. Please note that the Bank retains the right to establish set limits on the total dollar amount of new overnight advances that a single member may request on any business day.

If you have any questions, please do not hesitate to call your relationship manager: Paul Peduto (617-292-9762), Steve McHugh (617-292-9616), John Baity (617-292-9710), or the Money Desk staff (800-357-3452).