

## **FHLB Boston Collateral Release Procedure**

The Federal Home Loan Bank of Boston (the Bank) requires each member to pledge adequate eligible collateral to satisfy such member's individual Collateral Maintenance Level (CML) in support of its business activity with the Bank. Pledged collateral may be in the form of, among other things, loans or securities and must meet the eligibility criteria set forth in the Bank's Products and Solutions Guide, including, without limitation, the criteria applicable to the member's category designation.

From time to time, a member that has listed or delivered collateral to the Bank, the Bank's designee, or an approved third-party custodian may request the release of excess collateral (pledged collateral that exceeds such member's individual CML). Members may submit such a request to the Bank by 1:00 p.m. on any business day. Requests submitted after 1:00 p.m. will be processed on the next business day. The following are procedures applicable to a member's request for the release of excess collateral:

- 1) Securities held at the Bank's custodian, Citibank  
The member may submit delivery instructions online via FHLB Direct+, or request the release in writing via the Safekeeping Transaction Form. The executed form may be delivered via email or faxed to the Bank's Payment and Safekeeping Department (email: [safekeeping@fhlbboston.com](mailto:safekeeping@fhlbboston.com), Fax: 617-261-3344) by 1:00 p.m. for same-day processing. Otherwise, the request will be processed the next business day.
- 2) Securities at a third party custodian  
The member may request the release in writing via the Request to Release Pledged Securities Collateral form. The executed form may be delivered via email or faxed directly to the Bank's Collateral Department email: [collateral@fhlbboston.com](mailto:collateral@fhlbboston.com), Fax Number: 1-617-375-2240. The form must be received by the Bank prior to 1:00 p.m. on any given business day to be effective on that business day. Subject to the provisions in the final paragraph of this procedure, upon receipt of a member's request, the Bank will instruct the applicable third party custodian to return the requested excess collateral in accordance with the delivery instructions and schedule of the third party custodian.
- 3) Loans held at the member  
Members that list loans may communicate a request to the Bank via email to the Bank's Collateral Department (email: [collateral@fhlbboston.com](mailto:collateral@fhlbboston.com)) and by submitting an updated loan file.
- 4) Loans held by the Bank or its designee as the case may be  
The member may request the release in writing via the Request to Release Pledged Loan Collateral form. The executed form may be delivered via email or faxed directly to the Bank's Collateral Department (email: [collateral@fhlbboston.com](mailto:collateral@fhlbboston.com), Fax Number: 1-617-375-2240). Subject to the provisions in the final paragraph of this procedure, the Bank will generally direct the return of any requested excess loan collateral within 10 business days from the receipt of a member's request and an updated collateral loan file.

Once the appropriate request form or delivery instructions are received by the Bank, the Bank's collateral staff shall confirm that the member will have sufficient eligible collateral available after the requested collateral is released to satisfy the member's CML. Thereafter, the Bank will execute appropriate releases to facilitate the transfer of the requested excess collateral. If the release of the requested collateral will leave the member with a CML deficiency, the Bank's collateral staff will contact the member to communicate that the release is not approved, and to discuss the member's options.

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