



CONFIRMATION OF TERMS LIBOR Floating Rate Advance

ACCOUNT: _____

(Date of Request)

DOCKET NUMBER: _____

(Disbursement Date)

[MEMBER]
[ADDRESS]
[ATTENTION]

The purpose of this Confirmation of Terms (this “Confirmation”) is to memorialize certain of the terms and conditions applicable to the borrowing by you (“Member”) of an advance (the “Advance”) from the Federal Home Loan Bank of Boston (the “Bank”), as further described below. This Confirmation supplements, is incorporated into, and is subject to the terms and conditions of the Agreement for Advances, Collateral Pledge and Security Agreement between the Bank and Member (as amended from time to time, the “Advances Agreement”). This Confirmation shall be binding on Member in accordance with the terms of the Advances Agreement.

1. General Terms

On the Disbursement Date, the Bank will disburse to Member the Advance in the amount of \$ _____.00. Such Advance will have the terms specified herein, and will, unless prepaid in accordance with the terms of this Confirmation, mature, and all principal will be paid in full, on _____ (the “Maturity Date”), or on the next Boston Banking Day if the Maturity Date is not a Boston Banking Day.¹

2. Interest

Interest on the Advance is calculated on an actual/360-day basis, payable in arrears on each Reset Date (as defined below) through the Maturity Date (except that, on the Maturity Date, all interest accrued and previously unpaid shall be paid). (“Street Pay” Convention)

The initial interest rate on the advance is _____%, per annum. The interest rate will be adjusted on the _____ day of _____, beginning _____ and continuing through _____ (each a “Reset Date”). If any Reset Date falls on a day that is not a Boston Banking Day, the Reset Date shall be deemed to be the next Boston Banking Day. If any Reset Date would be the 31st day of a month but the applicable month does not have a 31st day (and, in the case of February, the 29th or 30th day), the Reset Date shall be deemed to be the last calendar day of that month, or the next Boston Banking Day if the last calendar day of that month is not a Boston Banking Day. The adjusted rate at each Reset Date will be _____-month LIBOR, plus/minus _____ basis point(s). The LIBOR rate of interest for each relevant interest period will be the ICE Benchmark Administration Limited (“ICE”) Interest Settlement Rate for _____-month fixed rate deposits in U. S. dollars posted by the information vendor designated by the ICE at 11:00 a.m., London time two (2) _____ Business Days² prior to each Reset Date.

For the avoidance of doubt, the interest rate shall not be less than zero at any time during the term of the Advance.

3. Prepayment Provisions

Member may, at its option, prepay the Advance, in whole or in part, prior to the Maturity Date on any Boston Banking Day, provided the Bank receives irrevocable notice of prepayment by 12:00 p.m. (EST) two (2) Boston Banking Days prior to the date of prepayment and provided further that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof. Prepayment without a fee shall be allowed only on Reset Dates. In the case of a prepayment on any other date, a prepayment fee will be assessed equal to 100% of the present value of lost cash flow based upon the contract rate of the Advance prevailing on the

¹ A “Boston Banking Day” is defined as any day on which the Bank is open for business.

² A “Business Day” is defined as a day (other than a Saturday or Sunday) on which banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the political subdivision so specified.

date of prepayment and the “current yield on Federal Home Loan Bank securities”³ of the same maturity as the remaining period to the next Reset Date or, if there are no further Reset Dates, the Maturity Date, discounted at the “current yield on Federal Home Loan Bank securities” for this period. The prepayment fee will be charged against Member’s IDEAL Way Deposit Account on the day of prepayment. The prepayment fee shall be no less than zero. The formula for determining the prepayment fee is:

$$\left[\left(1 - \frac{1}{(1 + A/2)^{(T/6)}} \right) / A \right] \times (\text{contract rate} - R) \times \text{principal}$$

$$\text{Where: } R = [(((A/2) * 360/365) + 1)^{1/6} - 1] * 12$$

Prepayment Fee Variables Definitions:

A = “Current yield on Federal Home Loan Bank securities” of the same maturity as the remaining period to the next Reset Date or, if there are no further Reset Dates, the Maturity Date, provided, however, that in no event will “A” be less than zero

T = Remaining period to the next Reset Date or, if there are no further Reset Dates, the Maturity Date (in months) (as an exponent)

contract rate = the interest rate of the Advance prevailing on the date of prepayment

R = The current yield on Federal Home Loan Bank securities (“A”), stated on a monthly pay, actual/360 day-count basis

The term “principal” for purposes of the prepayment formula shall mean the principal amount of the Advance that is prepaid.

Termination cost may apply to any prepayment, including any prepayment occurring on Reset Dates, and will include any additional costs the Bank may incur (including, but not limited to the cost of terminating interest rate swaps, futures, and options contracts, extraordinary operational or legal costs, and unusual debt retirement costs) as necessary to render the Bank financially indifferent to Member’s decision to prepay, as determined solely by the Bank.

4. Representations and Warranties

As a reminder, Member shall be deemed to have repeated each of the representations and warranties set forth in the Advances Agreement each time the Bank funds an advance.

If you have any questions or identify any discrepancies with regard to this transaction, please contact the Bank immediately.

³ “Current yield on Federal Home Loan Bank securities” is defined as the yield on Federal Home Loan Bank consolidated obligations (without concessions), as estimated for the prepayment date by the Bank System's Office of Finance (fiscal agent).