

## CONFIRMATION OF TERMS Symmetrical Prepayment Fixed 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 «MAT DATE» (the "Maturity Date"), or on the next Boston Banking Day if the Maturity Date is not a Boston Banking Day.<sup>1</sup>

### 2. Interest

The Advance will bear interest at a fixed rate of .00%, per annum (the "Interest Rate"). Interest on the Advance is calculated on an actual/360-day basis, payable on the Interest Payment Date, in arrears (except that, on the Maturity Date, all interest accrued and previously unpaid shall be paid).

*Interest Payment Date:*     The second Boston Banking Day of each month.  
    The \_\_\_\_\_ day of every sixth month (semi-annually) beginning on \_\_\_\_\_ (or the next Boston Banking Day if the Interest Payment Date is not a Boston Banking Day).

### 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. A prepayment fee will be assessed equal to 100% of the present value of lost cash flow based upon an annual rate of \_\_\_ basis points times the principal amount of the Advance that is prepaid paid on a monthly basis for the remaining life of the Advance, discounted at the "current yield on Federal Home Loan Bank securities"<sup>2</sup> of the same remaining maturity as that remaining on the Advance (the "Prepayment Fee"). In addition to the Prepayment Fee, Member will be charged or credited the termination value that the Bank incurs or realizes in terminating interest rate swaps, futures, options contracts, and other debt instruments as necessary to render the Bank financially indifferent to Member's decision to prepay, as determined solely by the Bank (the "Termination Value"). The Prepayment Fee and Termination Value will be charged or credited, as the case may be, against Member's IDEAL Way Deposit Account on the day of prepayment. If the sum of the Prepayment Fee and Termination Value is less than zero, then the Bank shall credit Member with that amount, except that in no case shall such credited amount be greater than 10% of the principal amount of the Advance. The amount due upon prepayment is therefore the amount determined by the following

<sup>1</sup> A "Boston Banking Day" is defined as any day on which the Bank is open for business.

<sup>2</sup> "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).

formula:

$$\left( \left[ 1 - \frac{1}{(1+A/2)^{(T/6)}} \right] / A \right) \times \text{_____ basis points} \times \text{principal} + \text{Termination Value}$$

A = "Current yield on Federal Home Loan Bank securities" of the same maturity as that remaining on the Advance, provided, however, that in no event will "A" be less than zero

T = Remaining maturity (in months) (as an exponent)

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

The Bank may also charge Member any 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.**