



APPLICATION FOR ADVANCE Amortizing Advance

Account:

(Effective Date)

To the Federal Home Loan Bank of Boston:

Pursuant to, and subject to, the terms of an Agreement for Advances, Collateral Pledge and Security Agreement now on file with the Federal Home Loan Bank of Boston ("Bank"), the undersigned Member hereby applies for an advance in the amount of _____ which will have the terms specified herein and will mature, unless otherwise stipulated in this application, or on the subsequent Boston Banking Day if the maturity date is not a Boston Banking Day. A "Boston Banking Day" is defined as any day on which the Bank is open for business. Interest on advances is calculated on an actual/360-day basis, payable monthly, on the first Boston Banking Day of the month (except that, at maturity, all interest accrued and previously unpaid shall be paid), in arrears.

1. Program Provisions:

a) **Community Development Advances ("CDA"); New England Fund Advances ("NEF"); New England Community Builder Program ("NECBP")**

Member warrants and covenants that the funds received under this advance shall be used exclusively for the purpose and within the constraints described in Member's CDA, NEF, or NECBP Application that has the project name / number of _____ and which shall be deemed a part of this application. If at any time during the term of the advance the funds are not used in accordance with Member's CDA or NEF Application, as applicable, the Bank may, in its sole discretion, exercise any one or more of the following:

price the advance to the interest rate applicable at the time the advance was made for a non-restricted advance of comparable type and maturity;

assess the Member for the present value of the difference between the interest rate received on the advance and the interest rate for a non-restricted advance with the same disbursement date and of comparable type and maturity from the time the advance ceased being used for the purpose enunciated in the CDA or NEF Application;

- Call the advance and, if applicable, assess a prepayment fee.

The Bank may monitor compliance with the CDA Application by on-site inspections of the project site, if any, and the Member shall allow the Bank to access the Member's books and records concerning the advance during normal business hours upon one Boston Banking Day's notice.

Certification for CDA Advances: The undersigned hereby certifies that (i) he/she is an officer authorized to borrow from the Bank; (ii) the initiative described in Member's CDA application meets the guidelines for CDA advances and that all information provided in Member's application is true and correct; (iii) the funds from the CDA advance requested hereunder will be used, or have been used, in accordance with the description contained in Member's CDA application; and (iv) a statistical summary or a list of the incomes of the borrowers, rents for the project, or salaries of jobs created or retained will be maintained by Member.

b) **Affordable Housing Program Advances:**

Member warrants and covenants that the funds received under this advance shall be used exclusively for the purpose and within the constraints described in Member's Application for Affordable Housing Program which has the project number of _____ and which AHP application shall be deemed a part of this application and shall be within the guidelines of 12 C.F.R. § 951 *et seq.* If at any time during the term of the advance the funds are not used in accordance with Member's aforementioned Application for Affordable Housing Program and 12 C.F.R. § 951 *et seq.*, the Bank may, in its sole discretion, exercise any one or more of the following:

Reprice the advance to the interest rate applicable at the time the advance was made for a non-restricted advance of

parable type and maturity;

Assess the Member for the present value of the difference between the interest rate received on the advance and the interest rate for a non-restricted advance with the same disbursement date and of comparable type and maturity from the date the advance ceased being used for the purpose enunciated in the Affordable Housing Program Application;

- Call the advance and, if applicable, assess a prepayment fee.

The Bank shall monitor compliance with the Member's approved Application for Affordable Housing Program and Member shall submit to the Bank quarterly reports which comply with the requirements of 12 C.F.R. § 951.10-11, illustrating that the funds are being used in accordance with Member's approved Application for Affordable Housing Program.

2. Interest:

The advance will bear interest at a fixed rate of %, per annum.

3. Amortization Schedule:

The first amortization payment of principal and interest will be due on the first Boston Banking Day of the month following the first full month of the advance; thereafter, payments will be due every month, on the first Boston Banking Day of the month. The complete amortization schedule is attached hereto, and made a part hereof.

4. Prepayment Provisions:

a) Amortizing Advances (with the exception of Affordable Housing Program Advances):

The advance may be prepaid at anytime, subject to a minimum principal prepayment of **\$100,000** provided the Bank receives 24 hours' notice of prepayment. 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, and the "current yield on Federal Home Loan Bank securities"* of the same weighted average maturity as that remaining on the advance, discounted at the current yield on Federal Home Loan Bank securities of the remaining weighted average maturity. The prepayment fee will be charged against a 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:

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

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

A = "current yield on Federal Home Loan Bank securities"* of the same weighted average maturity as that remaining on the advance

T = weighted average remaining maturity (in months) (as an exponent)

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

Amortizing Affordable Housing Program and New England Community Builder Program Advances:

The advance may be prepaid at any time provided that the Bank receives 24 hours notice of prepayment. A prepayment fee will be assessed equal to 100% of the present value of lost cash flow based on the cost of funds at the time the advance was initiated and the "current yield on Federal Home Loan Bank securities" for the same weighted average maturity as that remaining on the advance. Partial prepayments are subject to a minimum prepaid amount of **\$100,000**. The prepayment fee will be charged against a 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:

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

C = Yield on Federal Home Loan Bank securities, at the time the advance was originated, for the original maturity of the advance.

A = "current yield on Federal Home Loan Bank securities"* of the same weighted average maturity as that remaining on the advance

T = weighted average remaining maturity (in months) (as an exponent)

* "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).

"Termination cost" may apply to any prepayment 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, unusual debt retirement costs, etc.) as necessary to render the Bank financially indifferent to the Member's decision to prepay, or cancel, as applicable.

5. P.A.I. D. Program:

The above mentioned rate reflects a basis point(s) discount under the Bank's P.A.I.D. Program. The P.A.I.D. Program only applies to advances with a minimum maturity of one year or greater (and therefore excludes Adjustables, Stilts or any other advance that is prepayable without fee in less than one year). Ideal Way, Mortgage Funder, Housing Programs Advances including Affordable Housing Program Advances, New England Fund Advances, Community Development Advances, New England Community Builder Program Advances, CPP Advances, "Specials" and Auctions are specifically excluded from the P.A.I.D. Program.

6. Other: Member acknowledges and agrees to the following:

As a condition of making this advance, if the Bank's capital plan or the Federal Home Loan Bank Act requires the Member to purchase additional Bank capital stock, the Bank may debit the Member's IDEAL Way Deposit Account, prior to (or after) funding this advance, for the amount of the capital stock that Member must purchase.

Member hereby authorizes the Bank to charge the Member's IDEAL Way Deposit Account for all principal and interest payments and any expenses applicable to the Advance.

Advances with maturities greater than five years are deemed to be long-term advances and shall only be made for the purpose of providing funds for residential housing finance.

If the disbursement date is later than the date of this agreement, then the Bank may cancel its obligation to fund the advance: Upon notice from the Member's primary regulator or insurer that the Member has been restricted from obtaining advances from a Federal Home Loan Bank; or If the Member's access to advances is restricted pursuant to statute or 12 C.F.R. § 950.4.

Member will abide by all other terms and conditions set forth in the Bank's Member Products Policy (or Housing Associate Products Policy if applicable) in effect on the disbursement date and as the Bank may amend it from time to time in the future.

It is expressly understood by the Member that the management, through hedges or otherwise, of any interest rate or other exposure associated with the Member's receipt of advances under this Application for Advance shall be at the Member's sole risk, expense and liability.

By signing this Application, the undersigned Signing Officer certifies that in accordance with a resolution adopted by the board of directors of the undersigned Member, a certified copy of which resolution has previously been submitted to the Bank, the officer is duly authorized to enter into and approve on behalf of Member advances and other extensions of credit made to Member and is therefore authorized to execute this Application and thereby confirm the transaction.

AGREED AND ACKNOWLEDGED

MEMBER

By: _____
(Signature)

_____ (Date Signed)

(Typed Name)

(Title)