



APPLICATION FOR ADVANCE Amortizing FHLB Economic Stimulus 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:

FHLB Economic Stimulus Advance ("FHLB ESA"):

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 FHLB ESA Application that has the project name 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 FHLB ESA Application, as applicable, 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 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 date the advance ceased being used for the purpose enunciated in the FHLB ESA Application;
- Call the advance and, if applicable, assess a prepayment fee.

The Bank may monitor compliance with the FHLB ESA 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.

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:

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:

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

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 basis.

* "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. Other:** Member acknowledges and agrees to the following:
- a. 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.
 - b. 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.
 - c. 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.
 - d. If the disbursement date is later than the effective date of this application, 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.
 - e. 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.
 - f. 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 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)