



APPLICATION FOR ADVANCE Community Lending Advance/Commitment

Account:

Member Name:

(Commitment Date)

(Disbursement Date)

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, will bear interest at a fixed rate of % per annum, 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 (unless otherwise stipulated below), on the second Boston Banking Day of the month, in arrears (except that, at maturity, all interest accrued and previously unpaid shall be paid).

It is further agreed that in the event that the Member fails to borrow in accordance with the terms of this application by the scheduled Disbursement Date, the Member shall pay the Bank a Cancellation Fee to compensate the Bank for any costs that the Bank may incur, as necessary to render the Bank financially indifferent to such failure to borrow, including but not limited to the costs of terminating interest rate swaps, futures and option contracts.

1. Program Provisions:

a) Community Development Advances; New England Fund 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 Community Development Advance ("CDA") or New England Fund ("NEF") Application that has the project name of _____ and which CDA or NEF Application 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:

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 CDA or NEF Application;

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

The Bank may monitor compliance with the CDA or NEF 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 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 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(a), illustrating that the funds are being used in accordance with Member's approved Application for Affordable Housing Program.

2 Cancellation Provisions

In the event that Member fails to borrow, the Member shall pay a Cancellation Fee sufficient to render the Bank financially indifferent to such cancellation. The Cancellation Fee shall be calculated as though the Member had borrowed and immediately prepaid the advance, as is more fully described in Section 3 herein below. Any Cancellation Fee will be debited from Member's IDEAL Way Deposit Account on the Boston Banking Day following the Disbursement Date.

3. Prepayment Provisions:

CDA, NEF, and Affordable Housing Program Advances with original maturities six months or less:

No prepayment is allowed. However, in the event that such an advance becomes due and payable prior to its originally scheduled maturity date for any reason, including, without limitation, by reason of acceleration by the Bank or for early payments required by law, the Bank will charge a Prepayment Fee sufficient to render the Bank indifferent to such prepayment.

CDA and NEF Advances with original maturities greater than six months:

The advance may be prepaid at anytime 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 maturity as that remaining on the advance, discounted at the current yield on Federal Home Loan Bank securities of the remaining maturity. The prepayment fee will be charged against the 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:

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

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

A = "Current yield on Federal Home Loan Bank securities"* of same maturity as that remaining on advance

T = 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 daycount basis.

Affordable Housing Program advances with original maturities greater than six months:

The advance may be prepaid at anytime 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 yield on Federal Home Loan Bank securities, at the time the advance was initiated, for the original maturity of the advance, and the "current yield on Federal Home Loan Bank securities"* of the same maturity as that remaining on the advance, discounted at the current yield on Federal Home Loan Bank securities of the remaining 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:

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

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

A = "Current yield on Federal Home Loan Bank securities"* of same maturity as that remaining on advance

T = 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.

3. 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: _____ (Date Signed)
(Signature) _____

(Typed Name) _____ (Title)