



APPLICATION FOR ADVANCE Discount Note Floating Auction Rate 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 \$, and which advance shall have the terms specified herein.

1. Term and Interest Period:

This advance will mature on 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 shall be payable on the last day of every 28-day or 91-day period (the "Interest Period"), or on the subsequent Boston Banking Day if the last day of the Interest Period is not a Boston Banking Day. Each Interest Period shall be the same number of days (either 28 or 91 as determined by the term of the first Interest Period): The first Interest Period shall begin on and shall end on (and interest shall be due on), . The interest payable for each Interest Period shall be the interest accrued during the 28-day or 91-day Interest Period even if due on the subsequent Boston Banking Day, except that if the maturity date is not a Boston Banking Day, the last Interest Period shall be extended to the next Boston Banking Day and interest shall accrue for any additional days.

2. Interest Rate:

The Interest Rate for the first Interest Period shall be %, which rate may increase or decrease each subsequent Interest Period and shall be the Base Rate plus the Spread, rounded, if necessary, to the next highest one one-hundredth of one percent. Interest shall be computed on the basis of actual days elapsed in a year of 360 days.

- a) **Base Rate:** The Base Rate for an Interest period shall be the rate identified on the Federal Home Loan Bank - Office of Finance web site (www.fhlf-of.com/contrib/dn_auc_results.htm (or any successor location)) as the 4-Week WAMM or 13-Week WAMM, as applicable, for the Auction Date immediately preceding the first day of that Interest Period (the "WAMM Rate"), adjusted as follows - the Base Rate equals:

$$\frac{1}{((\text{WAMM Rate} * \text{the Interest Period} / 36000) / (1 - \text{WAMM Rate} * \text{the Interest Period} / 36000)) * 360 / \text{the Interest Period}).$$

If the Base Rate can not be determined on the date that the Base Rate is scheduled to be adjusted, the Member shall have the option to (i) continue performance under the terms of this advance at a Base Rate determined by the Bank at its sole discretion or (ii) to prepay the advance in full in accordance with the Prepayment Provisions of paragraph 3 below and any notice requirements specified therein shall be deemed satisfied.

- b) **Spread:**

"Spread" means the per annum rate expressed as a percentage and determined by the Bank at its sole discretion.

3. Prepayment Provisions:

Prepayment without fee is allowed only on the Base Rate adjustment dates provided the Bank receives irrevocable notice of prepayment by 10:00 a.m. two Boston Business Days prior to the Base Rate adjustment date. Prepayment will be on the actual

¹ The 4-Week Stop shall apply for advances with a 28-day Interest Period and the 13-Week Stop shall apply for advances with a 91-day Interest Period.

Base Rate adjustment date, or the next Boston Banking Day if the Base Rate adjustment date is not a Boston Banking Day. Prepayment at any other time is not 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.

4. 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 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.
- 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 for Advance shall be at the Member's sole

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)