



APPLICATION FOR ADVANCE LIBOR or Prime Floating 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 _____ 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 (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).

Interest:

a) LIBOR Floating Rate Advances:

The initial interest rate on the advance is _____ %, per annum. The interest rate will be adjusted on the _____ day, _____ beginning. If any adjustment falls on a non Boston Banking Day the adjustment date shall be deemed to be the next subsequent Boston Banking Day. The adjusted rate will be _____ month LIBOR, _____ basis point(s). The LIBOR rate of interest for each relevant interest period will be the British Bankers' Association ("BBA") Interest Settlement Rate for _____-month fixed rate deposits in U. S. dollars posted by the information vendor designated by the BBA at 11:00 a.m., London time:

- two London Business Days prior to each rate adjustment date; or
- two New York Business Days prior to each rate adjustment date; or
- two days which are both London Business Days and New York Business Days prior to each rate adjustment date.

Interest on this advance is calculated on an actual/360-day basis, payable in arrears:

- on the rate adjustment date through maturity. ("Street Pay" Convention)

b) Prime Floating Rate Advances:

Interest will accrue and be determined daily at a rate equaling the Prime Rate less _____ basis points. The Prime Rate for each day will be the rate which appears as the Prime Rate on page 5 of Telerate as of 10:00 a.m., Eastern Standard Time, on that date. The Prime Rate for each day which is not a Boston Banking Day and/or which Telerate is not operating shall be the Prime Rate as determined on the first preceding day which was both a Boston Banking Day and on which Telerate was operating.

Interest is calculated on an actual/360-day basis, payable on the _____ day of the month, in arrears. ("Street Pay" Convention)

2. Prepayment Provisions:

a) Non-Prepayable LIBOR Floating Rate Advances; Non-Prepayable Prime Floating Rate Advances:

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.

b) LIBOR Floating Rate Advances:

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

¹ The term "Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the political subdivision so specified.

adjustment date, or the next Boston Banking Day if the rate adjustment date is a Non 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.

This advance is not prepayable at any time during the first _____ year(s). This advance may be prepaid without fee on the rate adjustment dates beginning _____.

c) LIBOR Floating Rate Advances/Prime Floating Rate Advances:

Prepayment is allowed *only on the rate adjustment dates* provided the Bank receives notice of prepayment by 10:00 a.m. two Boston Business Days prior to the rate adjustment date (except for Libor Floating Rate Advances, in which case the Bank must receive notice of prepayment by 10:00 a.m. two London and Boston Business Days prior to the rate adjustment date). 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 paid on a monthly basis for the remaining life of the advance, discounted at the "current yield on Federal Home Loan Bank securities" of the same remaining maturity as that remaining on the advance. 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:

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

Prepayment Fee Variable Definitions:

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, and unusual debt retirement costs) as necessary to render the Bank financially indifferent to the Member's decision to

3. P.A.I. D. Program:

The above mentioned rate reflects a _____ basis point(s) discount under the Bank's P.A.I.D. Program. In the event that this advance is a Libor Floating Rate or Prime Floating Rate advance, this discount shall be deducted from the adjusted rate, on each adjustment date throughout the term until the final maturity. 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, CPP Advances, "Specials" and Auctions are specifically excluded from the P.A.I.D. Program.

4. 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)