



APPLICATION FOR ADVANCE LIBOR Floating Rate Advance with Declining Rate Participation

Account:

Date: [insert Application Date]

Effective Date: [insert Disbursement 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 \$.00 which will have the terms specified herein and will mature «MAT DATE», unless otherwise stipulated in this Application for Advance (the "Application"), or on the subsequent Boston Banking Day if the maturity date is not a Boston Banking Day. Interest on this advance is calculated on an actual/360-day basis, payable monthly (unless otherwise stipulated below in Section 1(e)), on the second Boston Banking Day of the month, in arrears (except that, at maturity, all interest accrued and previously unpaid shall be paid).

1. Interest Rate:

The interest rate for this advance shall be determined in accordance with the provisions below:

(a) Initial Rate: The initial rate on this advance is _____ %, per annum.

(b) Interest Rate: The interest rate for any rate adjustment date will be _____ - month LIBOR, plus/minus _____ basis points (the "Adjusted Advance Rate"); provided, however, if on any rate adjustment date, LIBOR is less than the Floor Strike Rate, the interest rate for the relevant interest period shall be determined in accordance with the following formula:

[(Adjusted Advance Rate) – (Floor Strike Rate – LIBOR)].

For avoidance of doubt, the interest rate shall not be less than zero.

(c) Floor Strike Rate: [].

(d) Rate Adjustment Date: The interest rate will be adjusted on the _____ day of _____, beginning _____. If any rate adjustment date falls on a non Boston Banking Day, the rate adjustment date shall be deemed to be the next subsequent Boston Banking Day.

(e) Street Pay Convention: If street pay convention applies, 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 will apply.

(f) Definitions:

"Boston Banking Day" means any day on which the Bank is open for business.

"LIBOR" means 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.

"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.

2. Prepayment Provisions and Termination Costs:

(a) **Prepayment.** Prepayment without fee is allowed *only on rate adjustment dates* provided the Bank receives notice of prepayment by 10:00 a.m. two London and Boston Business Days prior to any rate adjustment date. Prepayment will be on the actual rate 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 this 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) Termination Costs. Notwithstanding anything to the contrary in this Application or in the Advances, Collateral Pledge and Security Agreement, the Bank may assess Termination Costs, if any, in connection with any prepayment, including any prepayment occurring on a rate adjustment date. "Termination Costs" means 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 prepay.

3. Other Provisions: 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 Effective Date date is later than the Date of this Application, then the Bank may cancel its obligation to fund the advance: (i) 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 (ii) 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 Effective 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.
- g. The Member represents and warrants to the Bank that (i) it is entering into this Application as principal and not as agent for any other party; (ii) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own decision regarding the suitability of this product for it based upon its own judgment and upon advice from such advisors as it has deemed necessary to obtain, and not upon any views expressed, or information or materials supplied, by the Bank; and (iii) it has read, understood and had an opportunity to ask questions regarding all materials and information with respect to this product supplied to it by the Bank and is entering into this transaction with a full understanding of the terms, conditions, and risks thereof and it is capable of and willing to assume those risks.

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)