



APPLICATION FOR ADVANCE

Symmetrical Prepayment Fixed Rate Advance

Account:

(Effective Date)

The purpose of this application for advance ("Application") is to memorialize the terms and conditions of the transaction entered into between the Member, by its Borrowing Officer, and the Federal Home Loan Bank of Boston ("the Bank") on the Effective Date. This Application supplements, is incorporated into, and is subject to the terms and conditions of the Agreement for Advances, Collateral Pledge and Security Agreement between Member and the Bank, which together, with the specific terms and conditions of this transaction to which the Member and Bank agreed orally, constitute the legally binding agreement between the Member and the Bank. This Application shall be conclusive as to the terms of the advance and binding on the Member. Member shall be estopped from challenging the terms on any grounds and from denying its obligation to repay the advance or any interest or fees thereon. In the event that Member believes that a discrepancy exists herein, Member must immediately deliver notice to the Bank. The Member shall promptly execute and return this Application.

1. CERTAIN DEFINED TERMS - The following terms shall have the meanings given below

Docket Number: _____

Member:

Principal: \$

Borrowing Officer:

(Member's officer who agreed to this advance)

Effective Date: _____
(Funding date)

Agreement Date:

(Date of telephone application)

Maturity Date:

Interest Rate: % Fixed.

Prepayment Fee Differential: 2 Basis Points

Interest Payment Date: (A) The second Boston Banking Day of each month.
 (B) The _____ day of: Every sixth month (semi-annually) beginning: _____

P.A.I.D. Discount Applies: P.A.I.D. Discount basis points.

Boston Banking Day: Any day on which the Bank is open for business.

New York Business Day: Any day on which the banks are open for business (including dealings in foreign exchange and foreign currency deposits) in New York.

2. GENERAL TERMS - On the Agreement Date, the Member applied for an advance. On the Effective Date, the Bank disbursed the Principal to the Member. The advance will, unless prepaid in accordance with this Application, mature on the Maturity Date or on the next Boston Banking Day if the Maturity Date is not a Boston Banking Day. The Member will pay interest on the advance at the Interest Rate. Interest shall be calculated on an actual/360-day basis and shall be payable on the Interest Payment Date, in arrears, provided that any interest accrued and unpaid on the Maturity Date shall be paid on the Maturity Date.

3. PREPAYMENT PROVISIONS - The Member may, at its option, prepay the advance prior to maturity on any Boston Banking Day, provided the Bank receives notice of prepayment by 10:00 a.m. two days that are both Boston Banking Days and New York Business Days prior to the date of prepayment. A prepayment fee will be assessed equal to 100% of the present value of lost cash flow based upon an annual rate of the Prepayment Fee Differential 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 ("Prepayment Fee"). In addition to the Prepayment Fee, the Member will be charged or credited the termination value that the Bank incurs or realizes in

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.

interest rate swaps, futures, options contracts, and other debt instruments as necessary to render the Bank financially indifferent to the Member's decision to prepay. The Prepayment Fee and Termination Value will be charged or credited, as the case may be, against the Member's IDEAL Way Deposit Account on the day of prepayment. If the sum of the Prepayment Fee and Termination Value is less than zero, then the Bank shall credit the Member with that amount, except that in no case shall such credited amount be greater than 10% of the Principal. The amount due upon prepayment is, therefore the amount determined by the following formula:

$$\left(\left[1 - \frac{1}{(1 + A/2)^{(T/6)}} \right] \times \text{Prepayment Fee Differential} \times \text{Principal} \right) + \text{Termination Value}$$

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

T = Remaining maturity (in months) (as an exponent)

The Bank may also charge the Member any extraordinary legal costs or unusual debt retirement costs as necessary to render the Bank financially indifferent to the Member's decision to prepay

4. P.A.I.D. PROGRAM - If "P.A.I.D. Discount Applies" is checked above, the Interest Rate reflects the P.A.I.D. Discount under the Bank's P.A.I.D. Program. 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, community lending advances including AHP, NEF, and CDA advances, CPP Advances, "specials," and auctions are specifically excluded from the P.A.I.D. Program. Member's sole risk, expense and liability.

5. ADDITIONAL TERMS - 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, 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 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)

Account:

Docket:

Revised: