

## CONFIRMATION OF TERMS SOFR Floating Rate Advance

ACCOUNT: \_\_\_\_\_

\_\_\_\_\_  
(Date of Request)

DOCKET NUMBER: \_\_\_\_\_

\_\_\_\_\_  
(Disbursement Date)

[MEMBER]

[ADDRESS]

[ATTENTION]

The purpose of this Confirmation of Terms (this “Confirmation”) is to memorialize certain of the terms and conditions applicable to the borrowing by you (“Member”) of an advance (the “Advance”) from the Federal Home Loan Bank of Boston (the “Bank”), as further described below. This Confirmation supplements, is incorporated into, and is subject to the terms and conditions of the Agreement for Advances, Collateral Pledge and Security Agreement between the Bank and Member (as amended from time to time, the “Advances Agreement”). This Confirmation shall be binding on Member in accordance with the terms of the Advances Agreement.

### 1. General Terms

On the Disbursement Date, the Bank will disburse to Member the Advance in the amount of \$ .00. Such Advance will have the terms specified herein, and will, unless prepaid in accordance with the terms of this Confirmation, mature, and all principal will be paid in full, on «MAT DATE» (the “Maturity Date”), or on the next Business Day if the Maturity Date is not a Business Day.

### 2. Interest

Benchmark Rate:

SOFR

Spread to Benchmark Rate:

Plus \_\_\_\_ basis points

Initial Interest Rate:

SOFR (determined as set forth herein) plus the Spread to Benchmark Rate

Day Count Basis:

Actual/360

Minimum Rate:

Subject to a daily Interest Rate floor of 0%.

Reset Date:

Daily; provided, however that if such Reset Date is not a U.S. Government Securities Business Day, on the first U.S. Government Securities Business Day immediately succeeding such Reset Date.

Interest Calculation:

Simple Daily Average (non-compounded)

Interest Payment Dates:

\_\_\_\_\_, 20\_\_\_\_ and [annually] thereafter on each \_\_\_\_\_, except that two (2) Business Days after the Maturity Date, all interest accrued and previously unpaid shall be paid. If an Interest Payment Date is scheduled to occur on a date that is not a Business Day, the Interest Payment Date will adjust in accordance with the Payment Business Day Convention specified herein.

Payment Business Day Convention:

Modified Following Business Day Convention

Interest Accrual Period:

Interest will accrue in each period until two (2) Business Days prior the Interest Payment Date for such period.

(Revised 10/2019)

### 3. Definitions

#### **SOFR**

“SOFR” means, with respect to the Disbursement Date and any Reset Date:

- (1) The Secured Overnight Financing Rate published on the Federal Reserve’s Website as of the Disbursement Date (for the calculation of the Initial Interest Rate) and as of each Reset Date.
- (2) If the rate specified in (1) above does not so appear by 4:00 p.m. (New York time) (or, if such Reset Date is not a U.S. Government Securities Business Day, on the first U.S. Government Securities Business Day immediately succeeding such Reset Date), and a SOFR Index Cessation Event and a SOFR Index Cessation Date (as such terms are defined below) have not occurred, then the Calculation Agent shall use the SOFR published on the Federal Reserve’s Website in respect of the first preceding U.S. Government Securities Business Day for which the SOFR was published on the Federal Reserve’s Website.
- (3) If a SOFR Index Cessation Event and a SOFR Index Cessation Date have occurred, the Bank, as Calculation Agent shall calculate SOFR as if references to SOFR were references to the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any adjustments or spreads). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event, then the Calculation Agent shall use the Overnight Bank Funding Rate (OBFR) published on the Federal Reserve’s Website for any Reset Date after the SOFR Index Cessation Date.
- (4) If the Calculation Agent is required to use the OBFR, as specified above, and an OBFR Index Cessation Event has occurred, then for any Reset Date after the OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve’s Website, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve’s Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).
- (5) In any event, the Bank reserves the right to designate a replacement interest rate index and spread for the Advance if it determines in its sole discretion that: (a) SOFR, or any of the foregoing fallback rates are: unavailable, fundamentally altered, or no longer reliable market indicators even if still published; (b) it has or will become unlawful for the Bank to make the Advance tied to SOFR, or any of the foregoing fallback rates; or, (c) another index more closely reflects the Bank’s underlying funding and related derivative transactions. The Bank will provide at least three Business Days’ notice of the changes, by email or telephone.

The following definitions apply to the preceding description of SOFR as well as other terms and conditions set forth herein:

#### **BUSINESS DAY**

“Business Day” means any day on which the Bank is open to conduct transactions with its members.

#### **CALCULATION AGENT**

“Calculation Agent” means the Bank, or any other entity designated by the Bank to make calculations or determinations related to the Advance.

#### **FEDERAL RESERVE’S WEBSITE**

“Federal Reserve’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York.

#### **MODIFIED FOLLOWING BUSINESS DAY CONVENTION**

For purposes of determining Interest Payment Dates, if an Interest Payment Date falls on a date that is not a Business Day, then the Interest Payment Date will be the first following Business Day; provided, however, that if such following Business Day falls in the next calendar month, then the Interest Payment Date shall be the Business Day first preceding such scheduled date.

(Revised 10/2019)

**OBFR INDEX CESSATION EVENT**

“OBFR Index Cessation Event” means the occurrence of one or more of the following events: (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased to publish or provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an OBFR; or (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the OBFR) has ceased to provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the OBFR.

**OBFR INDEX CESSATION DATE**

“OBFR Index Cessation Date” means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the OBFR), ceases to publish the OBFR, or the date as of which the OBFR may no longer be used.

**SIFMA**

“SIFMA” means the Securities Industry and Financial Markets Association (or any successor entity).

**SOFR INDEX CESSATION EVENT**

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**SOFR INDEX CESSATION DATE**

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**U.S. GOVERNMENT SECURITIES BUSINESS DAY**

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. Government Securities.

**4. Prepayment Provisions**

Member may, at its option, prepay the Advance, in whole or in part, prior to the Maturity Date on any Boston Banking Day, provided the Bank receives irrevocable notice of prepayment by 12:00 p.m. (EST) two (2) Boston Banking Days prior to the date of prepayment and provided further that any partial prepayment shall be in a minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. 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 that is prepaid 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”). In addition to the Prepayment Fee, Member will be charged any termination costs that the Bank incurs in terminating interest rate swaps, futures, options contracts, and other debt instruments as necessary to render the Bank financially indifferent to Member’s decision to prepay, as determined solely by the Bank (the “Termination Costs”). The Prepayment Fee and Termination Costs will be charged against Member’s IDEAL Way Deposit Account on the day of prepayment. The Prepayment Fee shall be no less than zero. The amount due upon prepayment is therefore the amount determined by the following formula:

$$((1 - \frac{1}{(1+A/2)^{(T/6)}}) / A) \times \text{_____ basis points} \times \text{principal}) + \text{Termination Costs}$$

(Revised 10/2019)

**A** = “Current yield on Federal Home Loan Bank securities” of the same maturity as that remaining on the Advance, provided, however, that in no event will “A” be less than zero

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

The term “principal” for purposes of the prepayment formula shall mean the principal amount of the Advance that is prepaid. The Bank may also charge Member any extraordinary operational or legal costs, and unusual debt retirement costs as necessary to render the Bank financially indifferent to Member’s decision to prepay, as determined solely by the Bank.

#### **5. Representations and Warranties**

As a reminder, Member shall be deemed to have repeated each of the representations and warranties set forth in the Advances Agreement each time the Bank funds an advance.

**If you have any questions or identify any discrepancies with regard to this transaction, please contact the Bank immediately.**