

Application for a Letter of Credit

(Not for use with Public Unit Deposits)



Member Institution Information

Name of member institution

Mailing address

City State ZIP code + 4

Contact Person at Member Institution

Name

Title

Telephone number

Fax number

E-mail

Letter of Credit Type (select one of the following):

Stand-by Letter of Credit (non-Public Unit Deposit) – non-refundable fees billed annually in advance

Confirming Letter of Credit (non-bond transaction) – non-refundable fees billed annually in advance

Confirming Letter of Credit (bond transaction):

Non-refundable fees billed annually in advance

Non-refundable fees billed quarterly in advance

*Early Cancellation Fees will apply to any letter of credit that is canceled prior to its stated maturity date.¹ The Beneficiary must also consent in writing to the early cancellation of any letter of credit.

Letter of Credit Amount: \$ _____ **Term:** _____

Start date: _____ **Expiration date:** _____

Beneficiary²: _____

Address: _____

Date by which letter of credit is needed: _____

¹ Confirming Letter of Credit (bond transaction) may be cancelled by the Member at any quarterly billing date with 30-days advance notice subject to the following conditions:

- (a) if cancelled prior to the first anniversary of the CLOC, the cancellation fee will equal the unpaid remainder of the annual fee plus \$500; or
- (b) if cancelled after the first anniversary of the CLOC, the cancellation fee will equal \$500.

For all other letters of credit, a \$500 early cancellation fee will be assessed to the Member.

² Please note that for a non-Confirming Stand-by Letter of Credit the beneficiary must be a customer, vendor, or financial counterparty of the member or housing associate on behalf of whom the requested letter of credit will be issued.

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Name, address and brief description of the program or project to be supported by the letter of credit:

Program or Project Name: _____

Project Address: _____

Description (briefly describe the purpose of the letter of credit including a brief description of the supported project, bonds, program or transaction, and the role of the letter of credit):

Qualifying Criteria (check all that apply):

To assist the member in facilitating residential housing finance.

To assist the member in facilitating community lending (Complete Exhibit A attached hereto).

To assist the member with asset/liability management.

To provide the member with liquidity or other funding.

(Must be an authorized signatory)

Date

Printed Name

Title

Acceptance by the Bank of this request does not constitute a commitment by the Bank to the Member for a letter of credit.

Exhibit A – Community Lending

Indicate which of the following community lending activities the letter of credit will support and provide the relevant information (using attachments where necessary):

To qualify as a community lending project eligible to be supported by a Federal Home Loan Bank of Boston letter of credit, the project must meet at least one of the criteria in each of (a) and (b) below. Put a check mark next to all that apply. See footnotes on next page for definitions and explanatory information.

a. Economic Development Projects:

Commercial, industrial, manufacturing, social service, and public projects.

Public or private infrastructure projects (i.e. roads, utilities and sewers).

b. Targeted Beneficiaries:

The project is located in an income-eligible neighborhood.ⁱ

The project benefits income-eligible families.ⁱⁱ

The project creates or retains jobs for income-eligible workers.ⁱⁱⁱ

If applicable, provide:

Number of eligible jobs created: _____

Total number of jobs created: _____

Number of eligible jobs retained: _____

Total number of jobs retained: _____

The project qualifies as a Small Business.^{iv}

The project is located in a Champion Community.^v

The project is located in an Empowerment Zone.^{vi}

The project is located in an Enterprise Community.^{vii}

The project is located in a Brownfield.^{viii}

The project is located in an Indian area.^{ix}

The project is located in an area affected by the closing of a military base.^x

The project is located in a federally or state-declared disaster area.^{xi}

The project is located in a designated community under the Community Adjustment and Investment Program as defined under 22 U.S.C. 290m-2.

NOTE: The letter of credit, if approved, must be used for the purpose described in this application.

Community Lending Eligibility Definitions

ⁱ A *neighborhood* means a census tract or block numbering area; a unit of local government with a population of 25,000 or less; a rural county; or a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic designation that is within the boundary of but does not encompass the entire area of a unit of general local government. For rural areas, *income eligible neighborhood* means a neighborhood in which the median income is at or below 115 percent of the area median family income, as published annually by the United States Department of Housing and Urban Development (HUD), for the surrounding area. For urban areas, *income eligible neighborhood* means a neighborhood in which the median income is at or below 100 percent of the area median family income, as published annually by HUD, for the surrounding area. *Rural area* means (1) a unit of general local government with a population of 25,000 or less; (2) an unincorporated area outside a Metropolitan Statistical Area as designated by the Office of Management and Budget (a "MSA"); or (3) an unincorporated area within a MSA that qualifies for housing or economic development assistance from the United States Department of Agriculture (USDA). *Urban area* means (1) a unit of general local government with a population more than 25,000; or (2) an unincorporated area within a MSA that does not qualify for housing and economic development assistance from the USDA.

ⁱⁱ For an economic development project in a rural area to qualify on the basis of benefiting *income eligible families*, at least 51 percent of the families who benefit from (other than through employment), or are provided services by, the project must have incomes at or below 115 percent of the area median family income, as published annually by HUD. For an economic development project in an urban area to qualify on the basis of benefiting *income eligible families*, at least 51 percent of the families who benefit from (other than through employment), or are provided services by, the project must have incomes at or below 100 percent of the area median family income, as published annually by HUD.

ⁱⁱⁱ For an economic development project in a rural area to qualify on the basis of *creating or retaining jobs*, the annual salaries for at least 51 percent of the permanent full- and part-time jobs, computed on a full-time-equivalent basis, created or retained by the initiative, other than construction jobs, must be at or below 115 percent of the area median family income, as published annually by HUD. For an economic development project in an urban area to qualify on the basis of *creating or retaining jobs*, the annual salaries for at least 51 percent of the permanent full- and part-time jobs, computed on a full-time-equivalent basis, created or retained by the initiative, other than construction jobs, must be at or below 100 percent of the area median family income, as published annually by HUD.

^{iv} *Small Business* means as "small business concern" as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.

^v *Champion Community* means a community that developed a strategic plan and applied for designation by either the Secretary of the HUD or the Secretary of the United States Department of Agriculture (USDA) as an Empowerment Zone or Enterprise Community but was designated a Champion Community.

^{vi} *Empowerment Zone* means an area so designated by either the Secretary of HUD or the Secretary of the USDA.

^{vii} *Enterprise Community* means a community so designated by either the Secretary of HUD or the Secretary of the USDA.

^{viii} *Brownfield* means an area that involves a property eligible for a Brownfield Tax Credit.

^{ix} Indian area as defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

^x *An area affected by the closing of a military base* means a "community in the vicinity of the installation" as defined by the Department of Defense at 32 CFR part 176.

^{xi} For an economic development project to qualify on the basis of being located in a *federally or state-declared disaster area*, the project must be located in a federally or state-declared disaster area or other area that qualifies for assistance under another federal or state targeted economic development program approved by the Federal Housing Finance Board.