

AMENDMENT NO. 1 TO ADVANCES, COLLATERAL PLEDGE AND SECURITY AGREEMENT

This Agreement is made as of _____ as Amendment No.1 to the Advances, Collateral Pledge and Security Agreement, dated as of _____ (“Advances Agreement”) between _____, having its principal place of business at _____ (“Member”) and Federal Home Loan Bank of New York, 101 Park Avenue, 5th Floor, New York, NY 10178-0599 (“Bank”).

WHEREAS, the Member and the Bank desire to add certain provisions to the Advances Agreement regarding the collateral provided to the Bank by the Member to secure Advances.

NOW, THEREFORE, the Member and the Bank agree as follows:

1. Section 1.01 of the Advances Agreement is hereby amended as follows:

- a) In line 3 of subsection (D) (the definition of “Collateral”) after the words “Securities Collateral”, insert the following: “,Secondary Collateral”;
- b) In line 1 of subsection (K) (the definition of “Other Collateral”) after the words “Mortgage Collateral”, insert a comma and delete the word “and” and, in line 2, after the words “Securities Collateral”, insert the words “and Secondary Collateral”;
- c) In line 8 of subsection (M) (the definition of “Qualifying Collateral”) before the symbol “(v)”, delete the word “and” and, in line 10, before the period, add the following words:

“; and (vi) in the case of Secondary Collateral, has been offered as Qualifying Collateral by the Member and specifically accepted as Qualifying Collateral by the Bank”.

- d) Add new subsections (O) and (P), to read as follows:

“(O) “Secondary Collateral” means: (i) mortgages and deeds of trust and all mortgage notes secured thereby (other than those included within the definitions of Mortgage Collateral and Mortgage Documents), and endorsements or assignments thereof to the Member, and any ancillary documents pertaining thereto (including, but not limited to, assignments of leases and/or rents, policies and certificates of insurance or guarantees, evidences of recordation, applications, approvals, permits, notices, opinions of counsel, loan servicing data and all other electronically stored and written materials relating to such mortgages); (ii) securities issued by REMICs, mortgage-backed debt obligation, collateralized mortgage obligations, mortgage pass-through certificates, mortgage participation certificates, and other mortgage-backed securities (other than those included within the definition of Securities Collateral); (iii) certificates of deposit; (iv) obligations issued or guaranteed by any agency of the United States (other than those included within the definition of Securities Collateral); (v) obligations issued by any state, county, municipality or other political subdivision or any agency thereof; (vi) corporate debt securities; (vii) Federal Home Loan Mortgage Corporation preferred stock and all other common and preferred corporate stock; (viii) promissory obligations secured by collateral other than real estate, including but not limited to automobile, co-operative and mobile home loans; and (ix) unsecured promissory obligations.

(P) “REMIC” means a “real estate mortgage investment conduit” within the meaning of Section 860D of the Internal Revenue Code of 1986, as amended, or any successor provision thereto.”

2. Section 3.01, lines 3 and 4 of the Advances Agreement are amended in each case as follows: after the words "Securities Collateral," add the words, "Secondary Collateral".
3. Section 3.03(B) of the Advances Agreement is amended as follows: in line 8, delete the words "comprising Mortgage Collateral" and replace them with the words "comprising part of the Collateral" and, in line 9, delete the word "mortgagee" and replace it with the word "lender".
4. Section 3.11 of the Advances Agreement is deleted in its entirety and is replaced by the following paragraph:

"Section 3.11 **Subordination of Other Loans**. The Member hereby agrees that (i) all mortgage notes which are part of the Mortgage Collateral or Secondary Collateral and (ii) any notes secured by personal property which are part of the Secondary Collateral (collectively, the "pledged notes") shall have priority in right and remedy over any claims for other loans, whenever made and however evidenced, which are also secured by the mortgages or security agreements securing the pledged notes. The pledged notes shall be satisfied out of the property (or proceeds thereof) covered by such mortgages or security agreements before any payment is made on the loans which are not part of the Collateral. To this end, the Member hereby subordinates the lien of such mortgages and security agreements with respect to such other loans to the lien of such mortgages and security agreements with respect to the pledged notes. The Member further agrees to retain possession of all notes or other instruments evidencing such other loans and not to pledge, assign, or transfer the same, except insofar as such other loans may be pledged to the Bank as part of the Collateral."
5. All capitalized terms used herein and not otherwise defined shall have the same meaning as in the Advance Agreement.
6. Except as expressly set forth herein, all terms and conditions of the Advances Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Member and Bank have caused this Amendment No. 1 to be signed in their names by their duly authorized officers as of the date first above mentioned.

(Name of Member)

By: _____

Title: _____

FEDERAL HOME LOAN BANK OF NEW YORK

By: _____

Title: _____

By: _____

Title: _____