



GUARANTY

This GUARANTY, dated as of the ___ day of _____, 20__ (this "Guaranty"), is made by _____, ("Guarantor"), for the benefit of FEDERAL HOME LOAN BANK OF NEW YORK ("FHLBNY") in its capacity as Correspondent Services provider under the Non-Member Correspondent Services Agreement described below.

RECITALS:

WHEREAS, Guarantor is the parent company of _____ ("Non-Member"); and

WHEREAS, NON-MEMBER and FHLBNY are parties to that certain Non-Member Correspondent Services Agreement, dated as of _____, 20__ (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Services Agreement"), pursuant to which FHLBNY has agreed to provide various Correspondent Services to Non-Member, and

WHEREAS, Guarantor acknowledges that it will receive substantial direct and indirect benefits by reason of FHLBNY providing Correspondent Services to Non-Member as provided for in the Services Agreement; and

WHEREAS, Guarantor has agreed to guaranty the payment and performance of all of Non-Member's indebtedness, fees, costs, expenses, liabilities, and other obligations to FHLBNY under the Services Agreement (the "Obligations");

NOW, THEREFORE, in consideration of the premises and in order to induce FHLBNY to provide Correspondent Services to Non-Member under the Services Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees with FHLBNY as follows:

1. Incorporation of Recitals; Defined Terms. The foregoing recitals are incorporated herein by this reference. Capitalized terms used in this Guaranty without definition shall have the respective meanings ascribed to such terms in the Services Agreement.

2. Guaranty of Payment and Performance. Guarantor hereby unconditionally and irrevocably guarantees to FHLBNY the punctual payment and performance when due of the Obligations. Without limitation of the foregoing, the Obligations shall include (a) all costs and expenses (including reasonable attorneys' fees and expenses) incurred by FHLBNY in collecting any amount due FHLBNY under this Guaranty or in prosecuting any action against Non-Member or Guarantor with respect to all or any part of the Obligations, and (b) all interest, fees, costs and expenses due FHLBNY after the filing of any bankruptcy or incumbency petition by or against Guarantor or Non-Member regardless of whether such amounts can be collected during the pendency of the bankruptcy or incumbency proceedings. Guarantor agrees that this Guaranty

is a present and continuing guaranty of payment and not of collectibility, and that FHLBNY shall not be required to prosecute collection, enforcement or other remedies against Non-Member or to enforce or resort to any collateral or other rights or remedies pertaining thereto, before calling on Guarantor for payment. Guarantor agrees that if, for any reason, Non-Member shall fail or be unable to pay, punctually and fully, any of the Obligations, Guarantor shall pay such Obligations to FHLBNY in full immediately upon demand. Guarantor agrees that one or more successive actions may be brought against Guarantor, as often as FHLBNY deems advisable, until all of the Obligations are paid and performed in full.

3. Continuing Guaranty. Guarantor agrees that the obligations of Guarantor pursuant to Section 2 above and any other provision of that certain Advances, Collateral Pledge and Security Agreement, dated as of _____, as amended to date and as hereafter further amended, restated or otherwise modified, between Guarantor and FHLBNY (the "Advances and Collateral Agreement") or any other agreement, instrument or document (collectively with the Advances and Collateral Agreement, the "Other Agreements") to which Guarantor is a party shall be primary obligations, shall not be subject to any counterclaim, set-off, abatement, deferment or defense based upon any claim that Guarantor may have against Non-Member and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including without limitation:

(a) any lack of validity or enforceability of the Services Agreement or any of the Other Agreements;

(b) any termination, amendment, modification or other change in the Services Agreement or any of the Other Agreements;

(c) any furnishing, exchange, substitution or release of any collateral, or any failure to perfect any lien in any collateral;

(d) any failure, omission or delay on the part of Non-Member, Guarantor or FHLBNY to conform or comply with any term of the Services Agreement or any of the Other Agreements;

(e) any waiver, compromise, release, settlement or extension of time of payment or performance or observance of any of the obligations or agreements contained in the Services Agreement or any of the Other Agreements;

(f) any action or inaction by FHLBNY under or in respect of the Services Agreement or any of the Other Agreements, any failure, lack of diligence, omission or delay on the part of FHLBNY to enforce, assert or exercise any right, power or remedy conferred on it in the Services Agreement or any of the Other Agreements, or any other action or inaction on the part of FHLBNY;

(g) any dissolution of Guarantor or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshaling of assets and liabilities or similar events or proceedings with respect to Non-Member or Guarantor, as applicable, or any of their respective property or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(h) any merger or consolidation of Non-Member or Guarantor, or any sale, lease or transfer of any of the assets of Non-Member or Guarantor;

(i) any change in the ownership of the capital stock of Guarantor or Non-Member or any change in the relationship between Non-Member, Guarantor or any termination of any such relationship;

(j) any release or discharge by operation of law of Non-Member, or Guarantor from any obligation or agreement contained in the Services Agreement or any of the Other Agreements; or

(k) any other occurrence, circumstance, happening or event, whether similar or dissimilar to the foregoing and whether foreseen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Non-Member or Guarantor.

4. Waivers. Guarantor unconditionally waives, to the extent permitted by law, (i) notice of any of the matters referred to in Section 3 above, (ii) all notices which may be required by statute, rule of law or otherwise, now or hereafter in effect, to preserve intact any rights against Guarantor, including, without limitation, any demand, presentment and protest, proof of notice of non-payment under the Services Agreement or any of the Other Agreements and notice of any default or any event of default or any failure on the part of Non-Member or Guarantor to perform or comply with any covenant, agreement, term or condition of the Services Agreement or any of the Other Agreements, (iii) any right to the enforcement, assertion or exercise against Non-Member or Guarantor of any right or remedy conferred under the Services Agreement or any of the Other Agreements, (iv) any requirement of diligence, (v) any requirement to exhaust any remedies or to mitigate the damages resulting from any default or event of default under the Services Agreement or any of the Other Agreements, and (vi) any notice of any sale, transfer or other disposition of any right, title or interest of FHLBNY under the Services Agreement or any of the Other Agreements.

5. Representations and Warranties. Guarantor represents and warrants to FHLBNY as follows:

(a) Organization and Qualification. Guarantor is duly organized and in good standing under the laws of its jurisdiction of formation and has all requisite power and authority to own its property and to carry on its business as now conducted and as proposed to be conducted, and is in good standing and authorized to do business in each jurisdiction in which the failure so to qualify would have a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of Guarantor.

(b) Power and Authority. Guarantor has the power and authority to enter into, execute, deliver and carry out the terms of this Guaranty and to incur the obligations provided for herein, all of which have been duly authorized by all proper and necessary action and are not prohibited by the organizational instruments of Guarantor.

(c) Binding Obligation. This Guaranty constitutes the valid and legally binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

(d) No Conflict. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereby do not and will not: (1) violate any provision of law applicable to Guarantor, the organizational documents of Guarantor, or any order, judgment or decree of any court or other agency of government binding on Guarantor; (2) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, agreement, instrument or other document to which Guarantor is a party or by which Guarantor or its property is bound; (3) result in or require the creation or imposition of any material lien upon any of the properties or assets of Guarantor (other than liens in favor of Bank); or (4) require any approval or consent of any third party under any contract, agreement, instrument or other document to which Guarantor is a party or by which Guarantor or its property is bound.

(e) Governmental Consents. The execution, delivery and performance by Guarantor of this Guaranty, and the consummation of the transactions contemplated hereby do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body.

(f) Burdensome Obligations; Solvency. After giving effect to the transactions contemplated by this Guaranty, Guarantor (i) does not intend to incur, and does not believe that it will incur, debts beyond its ability to pay such debts as they become due, (ii) owns and will own property, the fair salable value of which is (1) greater than the total amount of its liabilities (including contingent liabilities) and (2) greater than the amount that will be required to pay the probable liabilities of its then existing debts as they become absolute and matured, and (iii) has and will have capital that is not unreasonably small in relation to its business as presently conducted and as proposed to be conducted.

6. Reinstatement. The obligations of Guarantor pursuant to this Guaranty shall continue to be effective or automatically be reinstated, as the case may be, if at any time payment

of any of the Obligations is rescinded or otherwise must be restored or returned by FHLBNY upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Guarantor or Non-Member, all as though such payment had not been made.

7. Successors and Assigns. This Guaranty shall inure to the benefit of FHLBNY and its successors and assigns. This Guaranty shall be binding on Guarantor, its successors and assigns, and shall continue in full force and effect until all of the Obligations are paid and performed in full.

8. No Waiver of Rights. No delay or failure on the part of FHLBNY to exercise any right, power or privilege under this Guaranty, the Services Agreement or any of the Other Agreements shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege shall preclude any other or further exercise thereof or the exercise of any other power or right, or be deemed to establish a custom or course of dealing or performance between the parties hereto. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. No notice to or demand on Guarantor in any case shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstance.

9. Modification. The terms of this Guaranty may be waived, discharged, or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. No amendment, modification, waiver or other change of any of the terms of this Guaranty shall be effective without the prior written consent of FHLBNY.

10. Costs and Expenses. Guarantor agrees to pay on demand all costs and expenses incurred by or on behalf of FHLBNY (including, without limitation, attorneys' fees and expenses) in enforcing the obligations of Guarantor under this Guaranty.

11. Joinder. Guarantor agrees that any action to enforce this Guaranty may be brought against Guarantor without any joinder of Non-Member in such action.

12. Security. The obligations of Guarantor hereunder are secured by the security interests and liens granted by Guarantor to FHLBNY, pursuant to the Advances and Collateral Agreement.

13. Severability. If any provision of this Guaranty is deemed to be invalid by reason of the operation of any law, or by reason of the interpretation placed thereon by any court or other governmental authority, this Guaranty shall be construed as not containing such provision and the invalidity of such provision shall not affect the validity of any other provision hereof, and any and all other provisions hereof which otherwise are lawful and valid shall remain in full force and effect.

14. Notices. Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and may be personally served, telecopied, telexed or sent by overnight courier service or United States mail and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy or telex, on the date of transmission if transmitted on a Business Day before 4:00 p.m. (New York time) or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two days after delivery to such courier properly addressed; or (d) if by U.S. Mail, four Business Days after depositing in the United States mail, with postage prepaid and properly addressed.

Notices shall be addressed as follows:

If to FHLBNY: FEDERAL HOME LOAN BANK OF NEW YORK

Telecopy: _____

If to Guarantor: [MEMBER]

Telecopy: _____

or to such other address as the party addressed shall have previously designated by written notice to the serving party given in accordance with this Section 14. A notice not given as provided above shall, if it is in writing, be deemed given if and when actually received by the party to whom given.

15. APPLICABLE LAW. ALL MATTERS RELATING TO THIS GUARANTY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

16. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. GUARANTOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK AND

IRREVOCABLY AGREES THAT, SUBJECT TO FHLBNY'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY SHALL BE LITIGATED IN SUCH COURTS. GUARANTOR EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. GUARANTOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON GUARANTOR BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO GUARANTOR, AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. IN ANY LITIGATION, TRIAL, ARBITRATION OR OTHER DISPUTE RESOLUTION PROCEEDING RELATING TO THIS GUARANTY OR ANY OF THE OTHER RELATED AGREEMENTS, ALL DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF GUARANTOR OR OF ITS AFFILIATES SHALL BE DEEMED TO BE EMPLOYEES OR MANAGING AGENTS OF GUARANTOR FOR PURPOSES OF ALL APPLICABLE LAW OR COURT RULES REGARDING THE PRODUCTION OF WITNESSES BY NOTICE FOR TESTIMONY (WHETHER IN A DEPOSITION, AT TRIAL OR OTHERWISE). GUARANTOR AGREES THAT FHLBNY'S COUNSEL IN ANY SUCH DISPUTE RESOLUTION PROCEEDING MAY EXAMINE ANY OF THESE INDIVIDUALS AS IF UNDER CROSS-EXAMINATION AND THAT ANY DISCOVERY DEPOSITION OF ANY OF THEM MAY BE USED IN THAT PROCEEDING AS IF IT WERE AN EVIDENCE DEPOSITION. GUARANTOR IN ANY EVENT WILL USE ALL COMMERCIALY REASONABLE EFFORTS TO PRODUCE IN ANY SUCH DISPUTE RESOLUTION PROCEEDING, AT THE TIME AND IN THE MANNER REQUESTED BY FHLBNY ALL PERSONS, DOCUMENTS (WHETHER IN TANGIBLE, ELECTRONIC OR OTHER FORM) OR OTHER THINGS UNDER ITS CONTROL AND RELATING TO THE DISPUTE.

17. WAIVER OF JURY TRIAL. GUARANTOR AND FHLBNY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY. GUARANTOR AND FHLBNY ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS GUARANTY AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. GUARANTOR AND FHLBNY WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

[MEMBER Bank]

By: _____
Title: _____

ACKNOWLEDGED and AGREED
to as of the date first written above:

[NON-MEMBER]

By: _____
Title: _____

FEDERAL HOME LOAN BANK OF NEW YORK

By: _____
Title: _____

By: _____
Title: _____