



NON-MEMBER CORRESPONDENT SERVICES AGREEMENT

NON-MEMBER CORRESPONDENT SERVICES AGREEMENT, dated as of _____, 20____ ("Agreement") between _____, having its principal place of business at _____ ("Institution") and Federal Home Loan Bank of New York, having its principal place of business at 101 Park Avenue, 5th Floor, New York, NY 10178-0599 ("Bank").

WHEREAS, Institution desires to maintain one or more demand deposit accounts at Bank; and

WHEREAS, from time to time, Institution may wish to utilize various Correspondent Services (as defined herein) offered from time to time by Bank in order to transfer money to and from Institution's demand deposit accounts at Bank; and

WHEREAS, Bank and Institution desire to enter into a comprehensive agreement governing their Correspondent Services relationship;

NOW, THEREFORE, Bank and Institution agree as follows:

ARTICLE I: DEFINITIONS

As used herein, the following terms will have the following meanings.

SECTION 1.01 **Correspondent Services**. Correspondent Services means the services offered from time to time by Bank to Institution that may include, but are not limited to, Settlement and Item Processing Services (each as defined herein).

SECTION 1.02 **Demand Transaction**. Demand Transaction means a communication, other than an Item (as defined herein), directing the disbursement of funds from or the acceptance of deposits to Institution's demand deposit account at Bank and may include writings, voice, electronic media or other forms, as may be approved by Bank.

SECTION 1.03 **Deposit Item**. Deposit Item means an Item (as defined herein), the amount of which is to be credited to Institution's demand deposit account at Bank.

SECTION 1.04 **Disbursement Item**. Disbursement Item means an Item (as defined herein) issued by Institution, as drawer, and drawn on Bank, which carries Bank's routing and transit numbers.

SECTION 1.05 **Inclearing Item**. Inclearing Item means an Item (as defined herein) drawn on Institution, the amount of which is to be debited to Institution's demand deposit account at Bank.

SECTION 1.06 **Item**. Item means a NOW account item, a check, a teller's check, a money order or other instrument for the payment of money whether or not it is negotiable.

SECTION 1.07 **Item Processing Services**. Item Processing Services means various services that facilitate the payment of Items and Demand Transactions and the collection of Deposit Items and Demand Transactions, as well as related services, such as disaster recovery services, and supplemental services, such as photographic and adjustment services.

SECTION 1.08 **Settlement Services**. Settlement Services means the services provided by Bank to Institution to post debits or credits to institution's demand deposit account at Bank.

ARTICLE II: PROVISION OF CORRESPONDENT SERVICES AND ESTABLISHMENT OF DEMAND DEPOSIT ACCOUNTS

SECTION 2.01 **Provision of Correspondent Services**. Upon approval by Bank, Institution may obtain such Correspondent Services as are set forth from time to time in Bank's Correspondent Services Manual (as may be amended from time to time, "Manual"). Provision of such services by Bank will be in the manner described in the Manual. Institution agrees to use such services in accordance with and to comply with the procedures and requirements set forth in the Manual.

SECTION 2.02 **Establishment of Account**. Institution hereby requests Bank to establish a primary demand deposit account for Institution at Bank. Institution may establish additional demand deposit accounts at Bank upon approval by Bank. The terms and conditions of each demand deposit account established for Institution will be in accordance with the Manual.

ARTICLE III: DEBITS AND SETOFFS

SECTION 3.01 **Authorization to Debit Accounts**. Bank is authorized to debit Institution's demand deposit accounts from time to time in an aggregate amount equal to all amounts then due and payable to Bank by Institution hereunder or under any other agreement between Bank and Institution. Amounts due and payable to Bank include, but are not limited to, amounts for Disbursement Items and Demand Transactions honored by Bank; amounts charged to Bank by Federal Reserve Banks, clearinghouses or financial institutions for Inclearing Items; amounts for Demand Transactions; and fees and charges for the provision of various Correspondent Services by Bank. In addition, Bank may, upon prior notification from Bank to Institution regarding billing arrangements with a third party, debit Institution's demand deposit accounts for amounts due and payable by Institution to such third party. In debiting Institution's demand deposit accounts, Bank may give priority to amounts owed by Institution to Bank on outstanding advances or for fees and charges due to Bank under this or any agreement between Bank and Institution or for debits for Items and Demand Transactions in such priorities as Bank, in its sole discretion, may determine and then to amounts due and payable to any third party. Except to the extent that Institution has designated a specific demand deposit account as being the appropriate account for Bank to debit for an amount owing hereunder, all amounts to be debited hereunder will be debited first to Institution's primary demand deposit account. Notwithstanding the foregoing, however, if the amount to be debited to any of Institution's demand deposit accounts exceeds the amount available in that account, Bank may debit any of Institution's other demand deposit accounts, in any order, at Bank's sole discretion.

SECTION 3.02 **Dishonor, Return and Non-Payment**. Bank may dishonor any Disbursement Item or Demand Transaction if honoring the Disbursement Item or Demand Transaction would result in charges to Institution's demand deposit accounts that exceed the aggregate amount available in Institution's demand deposit accounts. Bank, in its sole discretion, may also refuse to settle on any and all Inclearing Items and Institution irrevocably grants Bank authority to direct any party holding Inclearing Items for Institution to return such Inclearing Items to the appropriate bank of first deposit prior to the expiration of applicable return item deadlines in any instance where Bank determines that payment of an Inclearing Item would result in charges to Institution's demand deposit accounts that exceed the aggregate amount available in Institution's demand deposit accounts.

SECTION 3.03 **Overdraft Loans**. In the event that honoring Disbursement Items or Demand Transactions or settling for Inclearing Items would result in charges to Institution's demand deposit accounts that exceed the aggregate amount available in Institution's demand deposit accounts, Bank may, in its sole discretion, honor the Disbursement Items or Demand Transactions and/or provide settlement for Inclearing Items in which event Bank will have allowed Institution to overdraw its demand deposit accounts during Bank's business day ("daylight overdraft"). By the end of each business day, Institution must have an aggregate amount in collected funds available in Institution's demand deposit accounts sufficient to cover the amount of any daylight overdraft. In the event that Institution's demand deposit accounts remain overdrawn at the end of Bank's business day, Bank will be deemed to have made a loan to Institution in the amount that Institution is overdrawn. Any such loan will be payable to Bank on the next business day. The loan will bear interest at the variable rate, established from time to time by Bank, for overdrafts on demand deposit accounts.

SECTION 3.04 **Setoff and Security Interest**. Each demand deposit account of Institution at Bank is subject to Bank's right of setoff against such account with respect to any indebtedness, now or hereafter outstanding, of Institution to Bank, including, without limitation, all loans heretofore, now or hereafter granted by Bank to Institution, and all other obligations to pay and liabilities of Institution to Bank (collectively, "Indebtedness"). Institution hereby irrevocably grants to Bank a security interest in any and all assets of Institution now or hereafter in the possession of Bank, or held for the account of Bank, to secure any and all Indebtedness, and Institution authorizes Bank to exercise all right- and remedies available to secured creditors in the event of any default with respect thereto. Additionally, Bank may require Institution to maintain minimum balances in Institution's demand deposit accounts in such amounts as Bank considers adequate.

ARTICLE IV: DEPOSITS

Subject to the terms hereof, and to final approval by Bank, Bank will post deposits, including Demand Transactions and Deposit Items, to the appropriate demand deposit accounts of Institution, provided that, as to any such deposit, Bank reserves the right to charge back the amount of the deposit or any part thereof if the deposit or any part thereof is not finally paid. Additionally, Bank may adjust the amount of a deposit if a deposit is credited to Institution's demand deposit account for an incorrect amount, regardless of the reason for the incorrect posting or the time that has elapsed since the original posting. Bank, in its sole discretion, may delay crediting Institution's demand deposit accounts in an amount sufficient to cover the amount of any deposits which have not yet finally been paid.

ARTICLE V: CERTIFICATION

Upon request by Institution, Bank may authorize Institution to certify for Bank items issued by Institution and drawn on Institution's demand deposit accounts at Bank. Institution hereby irrevocably authorizes Bank to debit Institution's demand deposit account on which an item that is so certified is drawn for the amount of the item as of the time that the item is certified.

ARTICLE VI: STANDARD OF CARE AND DAMAGES

SECTION 6.01 **Standard of Care**. Bank will exercise ordinary care in providing Correspondent Services. If Bank acts with ordinary care, Bank will have no liability to Institution and Institution will indemnify, defend and hold Bank harmless against any loss or cost, including, but not limited to, attorneys' fees, arising from Bank's provision of Correspondent Services hereunder. Bank will be deemed to have acted with ordinary care in the following circumstances:

Where an act or omission, whether or not authorized, of an employee, agent or contractor of Institution contributed to the occurrence of the loss or cost;

Where Institution's failure to examine daily and other Correspondent Service reports provided to Institution, whether electronically or otherwise, by Bank and to notify Bank of discrepancies, within time periods specified by Bank from time to time in the Manual, contributed to the loss or cost, including Institution's failure to review reports of "prepaid items" and notify Bank within applicable time periods when a prepaid item bears a forged or unauthorized Institution signature or other defect;

Where the loss or cost on an Item arises from a defective endorsement or a material alteration;

Where the loss or cost arises out of any claim brought by a payee of an Item; or

Where the loss or cost on a Disbursement Item or Demand Transaction arises out of a defective facsimile signature which, on its face, appears to be identical to Institution's genuine facsimile signature; or Bank's process for determining the genuineness of Institution's signature as drawer, whether in manual or facsimile form, was consistent with the course of conduct in the banking industry.

SECTION 6.02 **Damages**. Bank's liability to Institution for any claim by Institution involving Bank's provision of Correspondent Services will be limited to actual losses or costs incurred by Institution, provided, however, that such liability will not include consequential or other damages, and provided further that the amount of damages will be limited to the face amount of the Items or Demand Transactions at issue.

SECTION 6.03 **Force Majeure**. Bank will not be liable to Institution for any failure to perform properly Bank's duties hereunder if such failure is the result of war, insurrection, weather or other circumstances beyond Bank's control.

SECTION 6.04 **Security Procedures**. All security procedures utilized by Bank in connection with the provision of Correspondent Services shall be deemed commercially reasonable within the meaning of Section 4A of the New York Uniform Commercial Code.

ARTICLE VII: FEES AND SERVICES

Institution will pay Bank the fees and other charges, as set forth in fee schedules published by Bank from time to time for Correspondent Services. Bank may change the fee schedules and may change the nature or scope of the Bank's Correspondent Services upon publication of the changes in the Manual or by otherwise providing written notice to Institution.

ARTICLE VIII: AUTHORIZED PERSONS

The Secretary or an Assistant Secretary of Institution will from time to time after execution of this Agreement certify to Bank on forms provided by Bank the names and specimen signatures, including facsimile signatures, of the persons who are authorized to sign Disbursement Items, and/or to initiate Demand Transactions, and the Secretary or Assistant Secretary will further certify that all such persons are also authorized to perform any other acts incident to carrying out the power conferred on such persons, and Bank may rely upon such certification without inquiry or further authorization and notwithstanding that the directed action may appear to benefit the person directing the action. Such persons need not be employees of Institution. Such certifications will continue in effect until expressly revoked by Institution, notwithstanding that subsequent certifications may authorize other persons to act for and on behalf of Institution.

ARTICLE IX: DURATION OF TIME PERIOD FOR PERFORMANCE OF SERVICES

The provision of services under this Agreement will continue until terminated by either Bank or Institution upon receipt of written notice by Bank or Institution.

ARTICLE X: ENTIRE AGREEMENT

This Agreement embodies the entire agreement and understanding between the parties hereto relating to the subject matter hereof and supersedes all prior agreements between such parties, whether written or oral, which relate to such subject matter.

ARTICLE XI: WAIVER

The waiver by either party of any right hereunder or of any failure to perform or breach by the other party shall not be deemed as a waiver of any other right hereunder or of any other breach or failure by such other party whether of a similar nature or otherwise.

ARTICLE XII: ENFORCEABILITY

The provisions of this Agreement shall be severable and should any provision be held to be illegal, unenforceable or void, the remaining provisions shall continue in full force and effect without impairment in any way.

ARTICLE XIII: GOVERNING LAW

This Agreement is governed by the statutory and common law of the United States, and to the extent that Federal law incorporates or defers to state law, the laws of the State of New York, including the Uniform Commercial Code as in effect in New York.

IN WITNESS WHEREOF, Institution and Bank have caused this Agreement to be signed in their names by their duly authorized officers as of the date first above mentioned.

(Name of Institution)

FEDERAL HOME LOAN BANK OF NEW YORK

By: _____

By: _____

Title: _____

Title: _____

By: _____

Title: _____

CORPORATE ACKNOWLEDGMENT

STATE OF NEW YORK, New York County ss:

On this ____ day of _____, 20____ before me personally came _____, and _____, to me known, who, being by me duly sworn, did depose and state that they reside at _____; that they are the Vice Presidents of the Federal Home Loan Bank of New York, the corporation described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that they signed their names thereto by order of the Board of Directors of said corporation.

Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____, _____ County ss:

On this ____ day of _____ 20____, before me personally came _____, to me known, who, being by me duly sworn, did depose and state that [s]he resides at _____; that [s]he is the _____ of _____, the corporation described in and which executed the above instrument; that [s]he knows the seed of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that [s]he signed his (her) name thereto by order of the Board of Directors of said corporation.

Notary Public