



Federal Home Loan Bank
NEW YORK

May 3, 2019

To: Federal Home Loan Bank of New York Member

Re: **Amendment to the Correspondent Services Agreement for UMBS Exchange Transactions for the Enterprises**

Dear Sir or Madame:

Pursuant to the Correspondent Services Agreement, as amended by the 1LinkSK Services Amendment (the "Agreement"), the Federal Home Loan Bank of New York ("FHLBNY") provides securities safekeeping services to you, including the arranging for, the holding, receipt, delivery, or other disposition of securities in accordance with the instructions the FHLBNY receives from you. With your approval by an authorized representative, this letter agreement hereby amends the Agreement for all FHLBNY securities safekeeping services related only to the exchange of certain eligible securities for the Uniform Mortgage-Backed Security ("UMBS") issued by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively, "the Enterprises"). To the extent there is any conflict between the Agreement and this letter amendment (the "Amendment"), the terms of this Amendment shall govern. This Amendment is effective as of the last date that it is signed and is binding upon the Member identified on the signature page herein.

All terms in the Agreement which are not expressly amended as set forth below, continue in full force and effect and are hereby ratified. All capitalized terms used herein shall have the same meaning as the Agreement unless specifically defined herein.

The parties hereby agree to amend the Agreement as follows:

1. "Article I: Definitions" is amended to add the following terms:
 - "(a) *Mortgage-backed security or MBS* means securities collateralized by a pool or pools of single-family mortgages.
 - (b) *Uniform Mortgage Backed Security or UMBS* means a single-class MBS backed by fixed-rate mortgage loans on one-to-four unit (single-family) properties issued by either Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively, "the Enterprises"), which has the same characteristics (such as payment delay, pooling prefixes, and minimum pool submission amounts) regardless of which Enterprise is the issuer.
 - (c) *Float Compensation* means a one-time payment by Freddie Mac in transactions in which certain eligible securities are exchanged for UMBS.

(d) *UMBS transaction* means the exchange transaction by which Freddie Mac issues UMBS in exchange for certain eligible securities by a dealer through Freddie Mac's Dealer Direct portal or directly by a customer through Tradeweb."

2. Section 7.03 "Payment on Securities" is amended to add the following subsection: "(1) Exchange of Eligible Securities for UMBS and Float Compensation.
 - (a) The Member acknowledges and understands that the FHLBNY does not provide direct access to Freddie Mac's Dealer Direct portal or Tradeweb.
 - (b) The FHLBNY may collect Float Compensation relating to a UMBS transaction and all risks of collection and credit responsibility with respect to such payment shall be borne by the Member.
 - (c) The FHLBNY shall have no liability for (i) the failure of any third party, including another securities intermediary, payment agent, or Freddie Mac, or any agent of Freddie Mac, with respect to any UMBS transaction or Floating Compensation to provide accurate information or discharge their obligations to Member; (ii) actions by the FHLBNY in accordance with Member instructions; and (iii) actions by FHLBNY taken in reliance on inaccurate information received from Member or any third party, including another securities intermediary, payment agent, or Freddie Mac, or any agent of Freddie Mac, with respect to any UMBS transaction or Floating Compensation, provided that the FHLBNY has relied upon such information in good faith.
 - (d) When the FHLBNY is instructed to deliver securities, delivery of the securities and the receipt of payment might not be completed simultaneously. The Member shall bear the risk of non-receipt or miscalculated payment, the FHLBNY shall have no responsibility or liability therefor, and the Member's risk shall continue until final payment has been received by the FHLBNY.
 - (e) Member acknowledges and agrees that FHLBNY cannot guarantee that requests to cancel or modify instructions will be processed upon submission. Member must notify FHLBNY of cancellations or modifications via updated authorized instructions; however, Member should not assume that the cancellation or modification was processed although received by FHLBNY, prior to the established cut-off time to effect a change. If Member submits instructions, and makes any decision or takes any action in reliance upon such submission of a cancellation or modification from FHLBNY, Member agrees that it does so at its own risk and agrees that it will in no way hold FHLBNY or any of FHLBNY's agents responsible for any expenses or losses incurred in so doing."
3. Section 7.06 "Bank's Standard of Care" is amended for aspects of the UMBS transaction that are in addition to the 1LinkSK Services Amendment to (1) replace "negligence" in the first sentence with "gross negligence" and (2) add the following provision: "In the event of any dispute between or conflicting claims by Member and any other person or persons with respect to the securities or UMBS and other property credited to or deposited in Member's account, FHLBNY shall be entitled, at our option, to refuse to comply with any and all claims, demands or instructions with respect to such securities and other property so long as such dispute or conflict shall continue, and FHLBNY shall not be or become liable in any way for our failure or refusal to comply with such conflicting claims, demands

or instructions. FHLBNY shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been (A) finally determined in a court of competent jurisdiction or (B) settled by agreement between the conflicting parties and FHLBNY shall have received evidence in writing, satisfactory to it of such agreement, or (ii) FHLBNY shall have received security or an indemnity satisfactory to it (from a party whose creditworthiness is satisfactory to us) sufficient to save it harmless against any and all loss, liability or reasonable expense which FHLBNY may incur by reason of its acting.”

4. Section 7.07(a) is added to the Agreement as follows: “Indemnification. Except where FHLBNY is grossly negligent or has engaged in willful misconduct, Member will indemnify FHLBNY and hold it harmless against any and all losses, claims, damages, liabilities or actions to which FHLBNY may become subject, and reimburse it for any expenses (including attorneys’ fees and expenses) incurred by FHLBNY in connection therewith, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon or are in any way related to this Agreement. Without limiting the generality of the foregoing indemnification, FHLBNY shall be indemnified for all costs and expenses, including attorneys’ fees, for its successful defense against claims by Member that FHLBNY was grossly negligent or engaged in willful misconduct. This indemnification obligation shall survive the termination of the Agreement.”

Sincerely,

Federal Home Loan Bank of New York

By:

Name:

Title:

Dated:

AGREED AND ACCEPTED: By signing this letter amending the Correspondent Services Agreement, you agree that the FHLBNY will perform services related to UMBS transactions subject to the Agreement, as amended by the terms and conditions set forth herein.

Name of Member:

By:

Name of Authorized Representative:

Title:

Dated:

Please check your Global Authorization Form which has been submitted the FHLBNY to verify that the person signing this letter amendment is authorized to do so. Please return the signed letter amendment (i) by express mail to:

Anthony Scalzo

Assistant Vice President, Technical Officer

70 Hudson Street, 7th Floor

Jersey City, NJ 07302

or (ii) by electronic mail attaching a complete signed pdf of the letter amendment to:

Anthony.Scalzo@fhlbny.com

With a copy to:

CustodyandPledgingServices@fhlbny.com