



ADVANCES, COLLATERAL PLEDGE, AND SECURITY AGREEMENT FOR NONMEMBER MORTGAGEES

ADVANCES, COLLATERAL PLEDGE AND SECURITY AGREEMENT FOR NONMEMBER MORTGAGEES dated as of _____, _____ (“Agreement”) between _____ (“Borrower”) and the Federal Home Loan Bank of New York (“FHLBNY”).

WHEREAS, the Borrower has been approved as a nonmember mortgagee by the FHLBNY and desires from time to time to apply to the FHLBNY for loans or other extensions of credit (collectively, “Advances”) under the terms of this Agreement; and

WHEREAS, the FHLBNY is authorized to make Advances to the Borrower, subject to the provisions of Section 10b of the Federal Home Loan Bank Act (“Bank Act”) and related regulations and guidelines of the Federal Housing Finance Agency (collectively, the “Regulations”); and

WHEREAS, the FHLBNY requires that all Advances by the FHLBNY be secured pursuant to this Agreement, and the Borrower agrees to provide such security as requested by the FHLBNY by the means set forth in this Agreement.

NOW, THEREFORE, the Borrower and the FHLBNY agree as follows:

1. The Borrower shall repay, according to the terms and conditions as indicated on the records of the FHLBNY, including, without limitation, any application for Advances, the principal sum of all Advances made by the FHLBNY, to the FHLBNY at its office in New York City, or at such other place as the FHLBNY may from time to time appoint in writing. The Borrower shall comply with the terms of the Bank Act, the Regulations and the FHLBNY’s Credit Policy for Advances to Nonmember Mortgagees, as each may be amended from time to time.

2. The Borrower shall pay interest on the daily unpaid balance of each Advance, and pay all fees and charges payable in connection with each Advance, according to the terms and conditions as indicated on the records of the FHLBNY. In the event that any payment on or in connection with an Advance is not made by the Borrower when due, the FHLBNY may, without notice to the Borrower, apply any deposits, credits or monies of the Borrower then in the possession of the FHLBNY to such due and payable amounts. All payments with respect to Advances shall be applied first to any fees or charges applicable thereto, then to interest due thereon and then to any principal amount thereof that is then due and payable.

Any prepayment fees or charges for which provision is made with respect to any Advance that is now or hereafter outstanding shall be payable at the time of any voluntary or involuntary payment of the principal of such Advance prior to the originally scheduled maturity thereof, including, without limitation, payments that are made as a part of a liquidation of the Borrower or that become due as a result of an acceleration pursuant to the terms hereof, whether such payment is made by the Borrower, by a conservator, receiver, liquidator or trustee of or for the Borrower, or by any successor to or assignee of the Borrower.

3. Borrower shall furnish to the FHLBNY from time to time a certified copy of a resolution of its Board of Directors (or an appropriate committee thereof) authorizing one or more of the Borrower’s

officers and/or employees to apply for Advances from the FHLBNY. Applications for advances shall be submitted according to such procedures as may be established by the FHLBNY from time to time. Borrower agrees that the FHLBNY shall have no obligation to make any Advance hereunder.

4. As security for any and all Advance and other indebtedness now or hereafter outstanding of the Borrower to the FHLBNY, including, without limitation, all obligations of the Borrower hereunder and all other liabilities of the Borrower to the FHLBNY, Borrower hereby assigns, transfers and pledges to the FHLBNY, and grants to the FHLBNY a security interest in, all of the following property that is now or hereafter owned by the Borrower (collectively, the "Collateral"):

- (a) all first mortgages and deeds of trust (herein, "mortgages") and all notes, bonds, or other instruments evidencing loans secured thereby (herein, "mortgage notes") and any and all endorsements and assignments thereof to the Borrower; and all ancillary security agreements, policies and certificates of insurance or guarantees, evidences of recordation, applications, underwriting materials, surveys, appraisals, notices, opinions of counsel and loan servicing data and all electronically stored and written records or materials relating to the loans evidenced or secured by the mortgages or the mortgage notes; provided, however, that mortgages and mortgage notes shall not include participation or other fractional interests in the related mortgage loans;
- (b) all mortgaged-backed securities (including participation certificates) issued by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; all obligations guaranteed by the Government National Mortgage Association; all consolidated obligations of the Federal Home Loan Bank System; and all obligations of or guaranteed by the United States (all of the foregoing, collectively, "Securities Collateral");
- (c) all mortgages and deeds of trust and all mortgage notes secured thereby (other than those items included in clause 4 (a) above), and endorsements or assignments thereof to the Borrower, 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); all securities issued by "real estate mortgage investment conduits" (or "REMICs"), mortgage-backed debt obligations, 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); all certificates of deposit; all obligations issued or guaranteed by any agency of the United States (other than those included within the definition of Securities Collateral); all obligations issued by any state, county, municipality or other political subdivision or any agency thereof; all corporate debt securities; all Federal Home Loan Mortgage Corporation preferred stock and all other common and preferred corporate stock; all promissory obligations secured by collateral other than real estate, including but not limited to automobile, co-operative and mobile home loans; all unsecured promissory obligations; and all funds which Borrower may have deposited at the FHLBNY;
- (d) such other items of property of the Borrower which are offered as Collateral by the Borrower and specifically accepted as such by the FHLBNY; and
- (e) all of the proceeds of all of the foregoing.

5. The Borrower shall provide at all times, free and clear of all other claims, pledges, liens and encumbrances, sufficient Collateral of such type and nature as may be specified by the FHLBNY in writing ("Qualifying Collateral") having a fair market value, as determined in such a manner as the FHLBNY shall specify in writing, equal to such amount as the FHLBNY shall specify in writing (the "Collateral Maintenance Level"). The Borrower shall, at its own expense, deliver (or in the cases of uncertificated securities, otherwise transfer in such manner as shall be acceptable to the FHLBNY) to and maintain with the FHLBNY or its authorized agents unencumbered Qualifying Collateral having a fair market value, determined as set forth above, at least equal to the Collateral Maintenance Level. As long as there has been no Event of Default hereunder (as defined in Section 7 below), the Borrower may use, encumber or dispose of any portion of the Collateral pledged under this Agreement that is in excess of the Collateral Maintenance Level and that has not been delivered or otherwise transferred to the FHLBNY or its authorized agents in accordance with the preceding sentence.

The Borrower shall provide, whenever requested, such verifications of the amount, market value, status and nature of the Collateral as the FHLBNY may direct and shall permit an audit of the Collateral by the FHLBNY at any time. The Borrower shall make, execute, record and deliver to the FHLBNY or its authorized agent such assignments, listings, financing statements, notices, powers and other documents with respect to the Collateral as the FHLBNY may require.

6. At the time of each Advance, the Borrower shall provide to the FHLBNY an opinion of the Borrower's counsel, in form and substance satisfactory to the FHLBNY, to the effect that this Agreement, the application for the Advance and the granting of a security interest in the Collateral, have been duly and validly authorized by all necessary action of the Borrower and any other party, and that the Advance and the security interest granted by this Agreement will be valid and binding obligations of the Borrower, enforceable in accordance with the terms of this Agreement.

7. Upon the failure of the Borrower to make timely payment of interest or principal on any Advance, to pledge or maintain Collateral, or to perform any of its other obligations as herein provided or as provided in any other document governing an Advance, or in case a receiver or liquidator is appointed for the Borrower or any of its property, or in case of an adjudication of insolvency or assignment for benefit of creditors, or a general transfer of assets by the Borrower, or if the management of the Borrower is taken over by any supervisory authority, or in case of any other form of liquidation, merger, sale of assets or voluntary dissolution, or upon the Borrower ceasing to be the type of institution that is eligible to borrow from the FHLBNY under the Bank Act, or if the FHLBNY reasonably and in good faith determines there has been a material adverse change in the financial condition of the Borrower, or otherwise reasonably and in good faith deems itself insecure, there shall be an Event of Default hereunder. Upon the occurrence of an Event of Default, the FHLBNY may, at its option, by notice to the Borrower, declare the principal of any Advance, accrued interest thereon, any prepayment fees or charges which are payable in connection with the payment prior to the originally scheduled maturity of any Advance, and any other obligation of the Borrower to the FHLBNY, to be immediately due and payable without presentment, demand, protest or any further notice, and the same shall thereupon become so due and payable.

8. Upon the occurrence of any Event of Default, the FHLBNY shall have all of the rights and remedies provided by applicable law which shall include, but not be limited to, all of the remedies of a secured party under the Uniform Commercial Code of the State of New York. Without limiting or affecting the rights of the FHLBNY to sell part or all of the Collateral as herein authorized, the FHLBNY is further authorized upon the occurrence of an Event of Default, at its option and in its discretion, to take immediate possession of the Collateral or any part thereof wherever the same may be found, to collect or cause to be collected or otherwise converted into money any part of the said pledged, substituted, or

additional Collateral, by suit or otherwise, and is hereby authorized in such case to surrender, compromise, release, renew, extend or exchange any item of such Collateral without prior notice to or consent of the Borrower. The FHLBNY may sell, assign and deliver the Collateral or any part thereof at public or private sale for such price as the FHLBNY deems appropriate without any liability for any loss due to a decrease in the market value of the Collateral during the period held, and may purchase all or part of the Collateral at such sale. If the Collateral includes insurance or securities which will be redeemed by the issuer upon surrender, or any accounts or deposits in the possession of the FHLBNY, the FHLBNY may realize upon such Collateral without notice to the Borrower. If any notification of intended disposition of any of the Collateral is required by applicable law, such notification shall be deemed reasonable and properly given if mailed, postage prepaid, at least 5 days before any such disposition to the address of the Borrower appearing on the records of the FHLBNY. In case of any sale, collection or conversion into money of such Collateral or part thereof, the FHLBNY, after first deducting the costs, attorneys' fees, and expenses of collection, shall apply the balance of such proceeds to the payment of Advances and interest in such manner as it shall choose.

9. The Borrower vests in the FHLBNY the right to extend any obligation pledged by it as Collateral. It is further agreed that any delay on the part of the FHLBNY or its authorized agents in exercising any rights hereunder shall not operate as a waiver of such rights. The Borrower does hereby make, constitute and appoint the FHLBNY its true and lawful attorney-in-fact to deal with the Collateral and in its name and stead to release, surrender, collect, compromise, renew, extend, exchange, and satisfy or record any indebtedness or mortgage which is part of the Collateral, to endorse mortgage notes and to execute assignments of mortgages and notes and claims secured thereby to the FHLBNY and to transfer the interest of the Borrower in any and all policies of insurance covering the properties described in said mortgages as fully as the Borrower could do if acting for itself. The powers herein are coupled with an interest and are irrevocable and full power of substitution is granted to the FHLBNY in the premises.

10. The Borrower shall pay to the FHLBNY such reasonable fees and charges as may be assessed by the FHLBNY to cover overhead and other costs relating to the receipt and holding of Collateral hereunder and to reimburse the FHLBNY upon request for all other reasonable expenses and disbursements incurred or made by the FHLBNY in connection with this Agreement (including the reasonable compensation and the expenses and disbursements of any custodian that may be appointed by the FHLBNY hereunder, and the agents and counsel of the FHLBNY and of such custodian). In the event any Advance is collected by an attorney or others, with or without suit, the Borrower shall pay reasonable fees and costs of collection.

11. This Agreement and all Advances hereunder shall be governed by the statutory and common law of the United States and, to the extent Federal law incorporates or defers to state law, the laws (exclusive of the choice of law provisions) of the State of New York. Notwithstanding the foregoing, the Uniform Commercial Code as in effect in the State of New York shall be deemed applicable to this Agreement and to any Advance hereunder and shall govern the attachment and perfection of any security interest granted hereunder.

12. In the event that any portion of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Agreement are declared to be severable. The FHLBNY may assign or transfer its rights under and interests in this Agreement and with respect to any Advances and any Collateral to any party. The Borrower may not assign or transfer any of its rights or obligations hereunder without the express written consent of the FHLBNY. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Borrower and the FHLBNY.

13. This Agreement shall apply to existing and future Advances and shall remain in full force and effect until terminated by written notice by the Borrower or by the FHLBNY, provided that any such termination shall not terminate or impair the terms of this Agreement as to all Advances outstanding hereunder at the time of such termination or to the pledge of Collateral hereunder.

14. The Borrower hereby represents and warrants that it has been approved as a nonmember mortgagee by the FHLBNY and shall immediately notify the FHLBNY of any change in the Borrower's status as a nonmember mortgagee. If the Borrower ceases to fulfill the eligibility requirements for a nonmember mortgagee, the FHLBNY will not extend a new Advance or renew an existing Advance to the Borrower until the Borrower has satisfied the FHLBNY that the Borrower again fulfills the conditions for a nonmember mortgages contained in the Bank Act and the Regulations. The FHLBNY may, from time to time, require the Borrower to provide evidence that the Borrower continues to satisfy all of the qualifications applicable to nonmember mortgagees contained in the Bank Act and the Regulations.

[Signature page follows.]

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

(Name of Borrower)

FEDERAL HOME LOAN BANK OF NEW YORK

By: _____

By: _____

Title: _____

Title: _____

By: _____

Title: _____

CORPORATE ACKNOWLEDGMENT

STATE OF _____, _____ County ss:

On this _____ day of _____, 20____, before me personally came _____, to me known, or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and who, being by me duly sworn, did depose and state that he/she is the _____ of _____, the corporation described in and which executed the above instrument and that he/she signed his/her name thereto by authorization of the Board of Directors of said corporation.

Notary Public

**FEDERAL HOME LOAN BANK OF NEW YORK
CORPORATE ACKNOWLEDGMENT**

STATE OF NEW YORK, New York County ss:

On this _____ day of _____, 20____, before me personally came _____, and _____, to me known, or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and who, being by me duly sworn, did depose and state that they are the Senior Vice President and the Corporate Secretary of the Federal Home Loan Bank of New York, the corporation described in and which executed the above instrument and that they signed their names thereto by authorization of the Board of Directors of said corporation.

Notary Public