

Application for Standby Letter of Credit Advance/Confirmation (Confirmation Standby LOC)

TO THE FEDERAL HOME LOAN BANK OF DALLAS:

DATE: _____, 20 _____

Pursuant to, and subject to the terms and conditions of, that certain Agreement for Standby Letter of Credit Advances / Confirmation, entered into between the undersigned Member and the Federal Home Loan Bank of Dallas (the "Bank") on _____ (as amended, restated, or otherwise modified from time to time, "Agreement"; all capitalized terms used herein, unless otherwise defined herein, shall have the same meaning as in the Agreement), the undersigned Member hereby applies for a confirmation of Member's Letter of Credit (the "Confirmation") and a Letter of Credit Advance for its account according to the specifications provided below.

Pursuant to the terms and conditions of the Agreement, the Bank's Member Products and Credit Policy and the Bank's Advances Products Guide governing fees for Letters of Credit, the Bank is hereby authorized to charge the undersigned Member's main Deposit Account for any applicable fees.

The undersigned authorized officer of Member certify that, in accordance with a resolution duly adopted by the Board of Directors or other governing body of the undersigned Member, a certified copy of which resolution has heretofore been submitted to the Bank or is hereto attached, they are authorized to apply to the Bank for this Confirmation and this Letter of Credit Advance.

TERMS AND CONDITIONS

If the evergreen feature is selected in this application, then Member acknowledges that such LOC shall be for a specific initial term which will automatically renew unless the Bank notifies the Beneficiary within the Notice of Non-Renewal period specified in this application. Further, fees for the initial term of the LOC will be charged at issuance and at each renewal at the time of such renewal based on the fees and charges in effect at the time of such renewal.

Member authorizes the Bank to charge Member's main Deposit Account for any applicable fees pursuant to the Agreement, the Bank's Member Products and Credit Policy (the "MPCP"), the Bank's Advances Products Guide or any other applicable document.

To ensure that the Bank is in a position to timely deliver the LOC, this application must be completed and approved 24 hours prior to the delivery date requested in this application. The Bank will make every effort to deliver the LOC on or prior to the requested date; however, the Bank cannot guarantee delivery as of a specific time.

Member is solely responsible for the accuracy of information input into this application and Bank disclaims any responsibility for ensuring the accuracy of such information.



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The Member hereby requests that the Bank issue the Confirmation as follows:

- 1. BENEFICIARY. The Confirmation shall be made in favor of:

_____ (Full Name of Beneficiary)

_____ (Attention)

_____ (Street Address)

_____ (City, State, Zip Code)

- 2. CONFIRMATION EFFECTIVE DATE AND (INITIAL) EXPIRATION DATE. The Confirmation shall be issued effective as of ____/____/____ (MM/DD/YYYY) and shall expire on ____/____/____ (MM/DD/YYYY)¹. To be honored, drafts must be presented for payment to the Bank on or before the expiration date.

- 3. CONFIRMATION AMOUNT. The Confirmation shall be issued in the amount of \$ _____.

- 4. MEMBER'S LETTER OF CREDIT. Provide the following information from the Member's Letter of Credit that the Bank is being asked to confirm:

_____ (Letter of Credit Number)

_____ (Amount)

_____ (Original Letter of Credit Effective Date)

_____ (Current Letter of Credit Termination Date)

_____ (Account Party/Customer)

¹ Please note that the effective and expiration dates of the Confirmation must conform with the effective and expiration dates of the underlying Letter of Credit. If such dates do not match, please provide the Bank with an explanation.

5. Is the Confirmation being issued in connection with a bond transaction: Yes / No.

If yes, please indicate the following:

a. The bonds are or will be rated by: S&P / Moody's / Not Rated

b. Will interest on the bonds be exempt from income taxation: Yes / No.

If Yes, please indicate whether the bonds are:

- confirmed by a confirmation issued during the period of July 30, 2008 through December 31, 2012;
- private activity bonds issued for a qualified residential rental project or a housing program obligation under Section 11(b) of the United States Housing Act of 1937;
- qualified mortgage bonds (IRC Section 143(a); or
- qualified veteran's mortgage bonds (IRC Section 143(b).

6. MULTIPLE OR PARTIAL DRAWS: (Please check one of the following two options)

The Confirmation shall allow: a single draw request. –OR– multiple draw requests.

To be honored, draw requests must be presented for payment to the Bank on or before the expiration date.

7. DELIVERY. The Confirmation is to be delivered to the party selected below prior to ____/____/____² (select one):

- to Member at the address indicated below;
- to the designated beneficiary at the address provided in Section 1 above, Phone #: _____;
- to the designated beneficiary at the following street address: _____ Phone #: _____; or
- to (specify other) _____.

8. DELIVERY OF OTHER DOCUMENTS. The documents listed below (if any) shall be delivered to the party indicated in Section 8 along with the Confirmation:

² To ensure that the Bank is in a position to timely deliver the Confirmation, the application must be completed and approved 24 hours prior to the requested delivery date. The Bank will make every effort to deliver the Confirmation prior to the requested date; however, the Bank cannot guarantee delivery as of a specific time.

9. PURPOSE. Member hereby represents and warrants to the Bank that the underlying obligation for which the Confirmation is to be issued and for which it will be used by Member is as follows (select one):

- to facilitate the purchase or commitment to purchase, mortgage loans where the Letter of Credit/Confirmation functions as a performance bond and is restricted to housing-related purposes;
- to facilitate the collateralization of public unit deposits which are maintained directly by a public unit or otherwise qualify as public unit deposits;
- to secure the obligations of Member pursuant to an interest rate swap, interest rate exchange, interest exchange, or such other comparable agreement between Member and the beneficiary;
- to facilitate community lending;
- to assist the asset/liability management of Member; or
- to provide Member with liquidity or other funding.

10. EVERGREEN TERMS. If yes, complete the following: Yes No

Notice of Non-Renewal in Days (# of days usually 30, 60, or 90 days) _____

Auto-Extended Term (term is usually 1 year but must be less than 15 years) _____

Final Expiration Date _____ (date that the LOC must not extend beyond)

11. SPECIAL LANGUAGE. Must be less than 15 years from effective date. If yes, describe below.

Is special language required? Yes No

12. OTHER SPECIAL REQUESTS OR INSTRUCTIONS. _____



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IN WITNESS WHEREOF, Member hereby submits this application as of the date first above written and agrees to the terms and conditions set forth herein. This application requires a signature from an Advances authorized signer.

(Member Institution)

(Authorized Signature)

(Address of Institution)

(Printed Name and Title)

(Address of Institution)

FHFA ID

FHLB Dallas Use Only

FHFA ID # _____

Commitment # _____

Pricing: # of Days: _____ / 365 (actual/365)

Basis Points per year: _____

Total Fees: \$ _____



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EXHIBIT A

ONLY NEEDED IF RENEWING EXISTING CONFIRMATION

[Member's Letterhead]

DATE

Federal Home Loan Bank of Dallas
8500 Freeport Parkway South, Suite 100
Irving, Texas 75063
Attention: Member Sales

Re: Letter of Credit # _____, issued by [MEMBER NAME] (the "Member")

Ladies and Gentlemen:

I certify that I am the [--TITLE--] of the Member and that in such capacity I am authorized to execute and deliver this document in the name of and on behalf of the Member. I further certify (i) that [--BENEFICIARY--] ("Beneficiary") is the beneficiary of the original standby letter of credit number _____, issued by the Member and dated as of [_____] (the "Letter of Credit"), (ii) that the Letter of Credit has been delivered to [--BENEFICIARY--] and (iii) that a true and correct copy of the Letter of Credit and any amendments, extensions and/or modifications thereto are attached to this letter as Attachment A. The Member has approved an extension of the Letter of Credit until [--NEW EXPIRATION DATE--].

[INSERT THE FOLLOWING IF THE STATED AMOUNT OF THE LETTER OF CREDIT HAS BEEN REDUCED:
The stated amount of the Letter of Credit has been reduced [PROVIDE EXPLANATION AS TO WHY STATED AMOUNT HAS BEEN REDUCED³]

[MEMBER NAME]

By: _____

Name: _____

Title: _____

³ Usually due to principal pay down.

EXHIBIT A CONT'D

Attachment A to Certification

Letter of Credit & Any and All Amendments, Extensions and/or Modifications Thereto

(See attached)