

AGREEMENT BETWEEN

THE NATIONAL CREDIT UNION ADMINISTRATION BOARD AND [NAME OF PARTICIPATING CORPORATE CU]

REGARDING THE CREDIT UNION HOMEOWNERS AFFORDABILITY RELIEF PROGRAM

THIS AGREEMENT is made and entered into on _____, by [Name of Corporate] Credit Union (hereinafter "CORPORATE"), a retail corporate credit union organized under the laws of [the United States of America/state of _____] doing business at [address of Corporate] and the National Credit Union Administration Board (hereinafter "BOARD"), the managing body of the National Credit Union Administration (hereinafter "NCUA") and the National Credit Union Share Insurance Fund (hereinafter "NCUSIF") pursuant to the Federal Credit Union Act, 12 U.S.C. 1751, et. Seq. (the "Act").

Whereas, Title III of the Act authorizes the BOARD to prescribe the manner in which the general business of the CLF shall be conducted and to enter into agreements with public and private organizations such as CORPORATE, and

Whereas, the BOARD is implementing the Credit Union Homeowners Affordability Relief Program ("CU HARP") through the CLF, and

Whereas, the CU HARP is designed to benefit CORPORATE by providing CORPORATE a source of liquidity to replace existing, more onerous sources of liquidity;

NOW, THEREAFTER, in consideration of the BOARD's determination to permit CORPORATE to participate in the CU HARP, BOARD and CORPORATE agree as follows:

1. *Summary of CU HARP.* The CLF will make CU HARP advances to eligible natural person credit unions ("NPCUs") in an aggregate initial amount up to \$2 billion. CU HARP advances will have a term of one year, and will be fully secured by collateral of the NPCU. NPCUs will invest the CU HARP advances in variable rate, NCUSIF-guaranteed senior debt of participating corporate credit unions (including CORPORATE) with terms of two years ("CU HARP notes"). The CU HARP note rate

will be a variable rate with two components. The first component is indexed to the CLF advance rate. The second component is a bonus coupon up to one percent indexed to one half of the credit union's documented rate break to individual members who are having trouble making their mortgage payments. The participating corporate will pay one basis point in bonus to the NPCU for every two basis points in mortgage relief demonstrated by the NPCU, up to a maximum of 100 basis points of bonus. The first component of interest, at the CLF advance rate, will be paid on June 30, 2009, followed by additional interest payments on December 31, 2009, June 30, 2010, and December 31, 2010. The payment of the associated bonus coupon payment will be on March 31, 2010, September 30, 2010, March 31, 2011, and September 30, 2011 upon the NPCU documenting the bonus payment amount. The benefits of CU HARP are threefold. First, the CU HARP is intended to benefit distressed home owners by making their loans temporarily more affordable and so increasing the likelihood that they can remain in their homes. Second, the CU HARP is intended to benefit participating NPCUs by reducing the number of mortgage loan defaults and associated loan losses. And, third, the CU HARP is designed to benefit participating corporate credit unions by allowing a corporate credit union to replace borrowings from outside the credit union system that have onerous conditions and collateral requirements with less onerous borrowings from NPCUs. More detailed information about CU HARP is contained in the attached CU HARP Term Sheet ("Attachment A").

2. *CU HARP subscription process.* CORPORATE agrees to assist U.S. Central Federal Credit Union (the "Agent Group Representative," or "AGR") and the CLF in processing NPCU requests to participate in the initial CU HARP subscription and any subsequent CU HARP subscriptions as described in the Attachment. CORPORATE agrees to comply with all processing deadlines established in the Attachment.

3. *Issuance of CU HARP notes.* CORPORATE agrees that CLF will determine, in the CLF's discretion, which NPCUs will purchase CORPORATE's CU HARP notes, and the dollar amount of the CU HARP notes issued to each NPCU. CORPORATE agrees that it will issue its CU HARP notes through the AGR in the AGR's capacity as the CORPORATE's issuing and paying agent. CORPORATE further agrees that the AGR may use the Agent loan proceeds related to a CU HARP advance to fund the CU HARP note purchase in lieu of providing the NPCU with the cash proceeds of the CLF advance.

4. *Compliance with TCCULGP requirements.* CORPORATE must ensure that all CU HARP notes issued by CORPORATE meet the requirements of the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) and so are guaranteed by the NCUSIF. For example, if issuance of the CU HARP notes or Credit

Union System Investment Program (CU SIP) notes could cause CORPORATE to exceed its aggregate limit on TCCULGP-guaranteed obligations, CORPORATE must request and receive approval from the Director of the Office of Corporate Credit Unions to increase its aggregate TCCULGP limit before CORPORATE issues the notes. For purposes of the CU SIP and CU HARP, however, the BOARD agrees to waive the generic prohibition on the use of the proceeds from TCCULGP-guaranteed obligations to prepay existing debt.

5. *Use of proceeds from CU HARP notes.*

a. CORPORATE agrees that it will use the proceeds from its issuance of CU HARP notes (“CU HARP proceeds”) to immediately reduce, on a dollar-for-dollar basis, CORPORATE’s obligations to a Federal Reserve Bank, a Federal Home Loan Bank (FHLB), or other secured lenders external to the credit union system (“external lenders”). CORPORATE agrees that it will use the proceeds from its CU HARP issuances to first reduce its obligations to a Federal Reserve Bank to a zero amount before it reduces its obligations to a FHLB or any other external lenders. CORPORATE agrees that when its obligations to a Federal Reserve Bank are reduced to zero, it will then reduce its obligations to a FHLB to zero before it reduces its obligations to any other external lenders. In extraordinary circumstances, CORPORATE may request CLF modify the requirements of this paragraph and, if CLF consents in writing, CORPORATE may use CU HARP proceeds as directed by the CLF.

b. CLF may request information from CORPORATE about CORPORATE’s borrowings from external lenders. CORPORATE agrees to comply immediately with any such information request.

6. *Payment of interest on CU HARP notes.* CORPORATE agrees to pay interest on its CU HARP notes as described in the Attachment.

7. *Procedures for bonus coupon claims.* CORPORATE will establish procedures for submission and verification of bonus coupon claims on the CU HARP notes it issues. As part of these procedures, CORPORATE will collect loan documentation from participating NPCUs necessary to support a bonus coupon claim. CORPORATE also agrees to inform CLF immediately if CORPORATE believes the documentation provided by any NPCU does not support payment of the bonus payment requested by the NPCU.

8. *Reporting.* CORPORATE agrees to provide AGR with the following information under procedures established by the AGR.

- a. Within 30 days of the issuance of any CU HARP note, CORPORATE agrees to notify AGR in writing of the CORPORATE liabilities that were reduced or eliminated with the proceeds of the note. CORPORATE will provide the AGR with sufficient information to match particular liabilities with particular CU HARP notes on a dollar-for-dollar basis.
- b. Within 30 days following the payment of the second component of interest on any CU HARP note, CORPORATE agrees to notify AGR in writing with details of the payment.
- c. Ninety days prior to the maturity of any CU HARP notes, CORPORATE will inform AGR in writing of the source of liquidity CORPORATE will use to repay the CU HARP principal.

9. *Reporting to CLF.* CORPORATE agrees to receive quarterly progress reports from NPCUs. Within five business days of the end of the month following the end of the quarterly reporting period for NPCUs, CORPORATE will provide consolidated information to AGR. The AGR will consolidate the CORPORATE reports and, within ten business days of the end of the month following the end of the quarterly reporting period for NPCUs, the AGR will provide the consolidated report to the CLF.

10. *Costs.* CORPORATE agrees to perform all of its obligations under this agreement, including its responsibilities to process HARP participation requests, to report to the AGR, and to review and verify bonus coupon claims, at no cost to the NCUA, the CLF, the AGR, any state regulatory agencies, or to the NPCUs that participate in the CU HARP.

11. *Changes to CU HARP.* CORPORATE understands that the CLF may modify the terms and conditions of the CU HARP, or terminate it, at any time and at the discretion of the CLF.

12. *Modification or assignment.* This agreement cannot be modified, nor can the rights or benefits described above be assigned to any third-party, without the prior written consent of both BOARD and CORPORATE.

13. *Termination.* This agreement will continue in effect unless terminated by written notice delivered by one party to the other party. Termination will not affect the obligations of the parties described above for any CU HARP note issued prior to the date of termination of this agreement.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

BY: _____ Date: _____

TITLE: President, Central Liquidity Facility
Pursuant to delegated authority

[NAME OF CORPORATE]

BY: _____ Date: _____

TITLE: _____