

## **Statement Regarding Private-Label Mortgage-Backed Securities Litigation**

On April 20, 2011, the Federal Home Loan Bank of Boston (the Bank) filed a complaint in the Superior Court Department Business Litigation Session of the Commonwealth of Massachusetts in Suffolk County, against various securities dealers, underwriters, control persons, issuers/depositors and credit rating agencies based on the Bank's investments in certain private-label mortgage-backed securities issued by 115 securitization trusts for which the Bank originally paid approximately \$5.8 billion. The complaint asserts claims based on untrue or misleading statements in the sale of securities, signing or circulating securities documents that contained material misrepresentations and omissions, negligent misrepresentation, unfair or deceptive trade practices, fraud by the rating agencies, and controlling person liability. The Bank is seeking various forms of relief including rescission, recovery of damages, recovery of purchase consideration plus interest (less income received to date) and recovery of reasonable attorneys' fees and costs of suit.