

CHANGES TO IDEAL WAY ACCOUNTS

August 15, 2008

To: Member CFOs

In response to member requests that we continue to simplify our business processes, we are making changes that will minimize IDEAL Way account overdrafts and corresponding overdraft charges, and will also reduce the number of telephone calls required in the event an overdraft occurs in your account. The changes noted below will be implemented September 15, 2008.

IDEAL Way Account Management:

- Prior to issuing an IDEAL Way advance, available balances in your rollover account(s) will be swept to cover negative balances in your IDEAL Way account(s). An IDEAL Way advance will be made only for the negative balance(s) that could not be covered by the rollover account(s).
- If you have multiple IDEAL Way accounts, the primary IDEAL Way account will be funded prior to funding a secondary IDEAL Way account. If you have multiple rollover accounts, we will sweep by smallest balance first until the overdraft is covered or until the rollover balances have been exhausted. PLEASE NOTE: If you do not want us to sweep your rollover account(s) to cover overdrafts, or if you want the rollover account balances swept in a specific order, please complete the Rollover Accounts Sweep Special Instructions form (see below or go to the [Forms & Applications page](#) on the Bank's web site) and fax it to 617-261-3304 no later than September 2, 2008.
- All IDEAL Way advances will have a term of one business day, and will be automatically charged back to your account on the business day following issuance. You will no longer be required to call us to pay off IDEAL Way advances.
- We will no longer call you with the details of the IDEAL Way advance. These details can be found on FHLB Direct under Special Reports/Advances Outstanding. You may also call Bank Operations Customer Service if you have any questions about the transaction.

IDEAL Way Advance Capital Stock Requirements:

- Effective September 15, 2008, capital stock deficiencies caused by IDEAL Way advances will be automatically satisfied through a capital stock purchase prior to the pay off of the IDEAL Way advance.

Daily Overnight Deposit Investment:

- We have extended the deadline for investing in the Daily Overnight Deposit Investment product from 4:00 p.m. to 4:30 p.m. While we encourage you to communicate your investments as soon as practical, we believe the additional 30 minutes will provide you with greater flexibility.

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Please note that IDEAL Way accounts belonging to security corporations are not affected by this change. Any overdraft in a security corporation account must be covered before close of business on the day that the overdraft occurs.

We continue to welcome your feedback on how we may enhance our services. Please call Bank Operations Customer Service at 1-800-358-9709 if you have any questions or comments about this communication or any of our other correspondent services.

Best Regards,

A handwritten signature in black ink, reading "Rachele R. McDonough". The signature is written in a cursive style with a large, looped initial "R".

Rachele R. McDonough
First Vice President/Director, Bank Operations

Enclosure

Rollover Account Sweep Special Instructions

Member Name: _____

Member Docket #: _____

Complete this portion of the form if you do NOT want us to sweep your rollover account balances to minimize IDEAL Way account overdrafts.

Please do not sweep rollover accounts for the above referenced Member Name and Docket.

*Authorized Signature: _____

Complete the following instructions only if you have multiple rollover accounts and want these account balances swept in a specific order. If you do not complete this form, rollover account balances will be swept from accounts with smallest balance first until the overdraft is covered or until the rollover balances have been exhausted.

Rollover Account Ordering Instructions for Sweep:

1st

2nd

3rd

4th

5th

6th

*Authorized Signature: _____

*Authorized signature must be one of those listed on file with us on Exhibit B – Designation of persons authorized with regard to Federal Home Loan Bank of Boston Correspondent Services – DEPOSITS.