

ATTACHMENT B

EXCLUDED COMMERCIAL REAL ESTATE PROPERTY TYPES

The Federal Home Loan Bank of Boston (Bank) Products Policy allows members to pledge "other real estate-related collateral", which includes commercial real estate mortgage loans, as security for Bank advances. The Bank will accept commercial real estate loans as collateral provided that i) the market value of the property supporting such collateral can be readily and reliably determined and ii) the property can be sold in a reasonable time frame. The Bank may, in its sole discretion, refuse certain types of real estate loans considered high-risk or special purpose property loans to be pledged as collateral.

High-risk property types are those that are management intensive, have limited improvements, are subject to the effects of toxic or hazardous materials or substances, or the property is subject to a ground lease (unless the ground lease is subordinate to the mortgage and the remaining term of the ground lease is at least as long as the remaining term of the loan.) A "special purpose property" is defined as a property or building having a limited or indefinable sale market with a unique physical design, special construction materials, or a layout that restricts its utility to a unique or special purpose. Special purpose property also means a structure, which is uniquely adapted to the business conducted upon it or use made of it and which cannot be converted to other uses without the expenditure of substantial sums of money (e.g.: a church or synagogue). Special purpose properties have limited marketability due to their design or use. In many cases, the lack of comparable sales or willing buyers in the marketplace may restrict or prohibit obtaining a readily ascertainable and reliable market value. A timely liquidation may not be easily achieved due to the extended amount of time that may be required to find a buyer willing to use the property "as is" or expend additional monies to convert the property to an alternative use.

High-risk and special purpose properties include, but are not limited to, the examples listed below. The Bank may deem other property types high-risk or special purpose upon review. The following property types are typically not considered eligible collateral by the Bank.

Examples of Special Purpose Properties and Other High-Risk Property Types:		
Adult care or assisted living facilities	Convention center	Illegal use of property
Airports and air transport	Construction loans	Meat processing facility
Auditoriums/Theaters-stand alone	Environmentally Sensitive Properties (e.g., gas station, junk yard, auto/boat sales & repair, dry cleaner, fuel storage, land fill, etc.)	Medical research facilities
Campground/RV Park	Equestrian property	Paper mill
Cannery/Seafood processing facility	Feed Mill/Grain Elevator	Parks, Recreation Centers and ski areas
Cemetery	Foundry/Steel Mill	Racetrack
Church/Synagogue/house of worship	Gaming facility	Vacant Land, Timber Land, Mines, Quarries, Gravel Pit