

## Lift Up Homeownership Procedures

### I. Policy to Which These Procedures Relate:

These procedures relate to, and are intended to assist compliance with, the Federal Home Loan Bank of Boston's (FHLBank Boston) voluntary homeownership program, Lift Up Homeownership, a Special Purpose Credit Program ("SPCP" or "Program"). SPCPs are allowed under the Equal Credit Opportunity Act (ECOA) and Regulation B of the Consumer Financial Protection Bureau and allow lenders to establish programs that offer special social benefits to people of economically disadvantaged classes to increase access to the credit markets based on a written plan. For more information, you may request a copy of FHLBank Boston's SPCP Written Plan.

### II. Statement of Procedures for Lift Up Homeownership ("LUH")

- A. Program Funding Round, Application Submissions, Review and Approvals
- B. Homebuyer Requirements
- C. Member Requirements
- D. Enrollment Submission
- E. Expirations, Cancellations, and Extension Policy
- F. Disbursement Request
- G. Five-Year Retention Period, Sale, Transfer, Assignment of Title or Deed, Refinance, Foreclosure

### III. Administration

#### A. Roles and Responsibilities

- a. Administrator: Federal Home Loan Bank of Boston ("FHLBank Boston")

### IV. Compliance Monitoring

### V. Applicable Laws and Regulations:

15 U.S.C. § 1691(c)(3)  
12 C.F.R. § 1002.8

### VI. Related Policies:

FHLBank Boston Written Plan to Establish a Special Purpose Credit Program ("LUH Written Plan")

### VII. Related Desktop Procedures:

FHLBank Boston - Homeownership Assistance Programs' - Desktop Procedures

### VIII. Glossary/Definitions:

**Adobe Sign:** FHLBank Boston's cloud-based e-signature platform used for electronic signature and tracking.

**AMI:** Area Median Income

**Closing Disclosure (CD):** Purchase transaction disclosure signed by buyer at the time of closing detailing conveyance of transaction.

**Community Lending:** FHLBank Boston's online system that allows members to apply for participation in the Program, enroll eligible homebuyers, request disbursement of funds, and submit all pertinent documentation for LUH.

**Person of Color:** Is defined as applicants who self-certify as one or more of the following: Black or African American; American Indian or Alaska Native; Native Hawaiian or Other Pacific Islander; Asian; and/or Hispanic or Latino.

**Disbursement:** Last step in the LUH process. The member funds the grant at the closing. Once the first mortgage is funded and closed, the member submits the closing documentation and will be reimbursed following FHLBank Boston's review.

**Enrollment:** The first step in the LUH process. The member uploads the required household documentation for review and approval.

**FHLBank Boston/the Bank:** Federal Home Loan Bank of Boston

**FHLBank Boston SPCP Eligibility Form:** LUH/Special Purpose Credit Program Self-Certification Form

**FTHB:** First-time homebuyer is defined by the 42 U.S.C. §12704(14).

**HCI:** Housing and Community Investment department of FHLBank Boston. Contact information for the department can be found under the [HCI department](#).

**Homebuyer/household:** The homebuyer(s) must be the member's first-mortgage borrower. Household members are defined as any person expected to live in the property at the time of closing. This includes, but is not limited to all adults, children, grandparents, roommates, relatives, etc.

**LUH:** Lift Up Homeownership

**MAR:** Member Action Required occurs when FHLBank Boston releases the file back to the member because of missing required documentation.

**Member/Member Financial Institution:** New England financial institution that is a member of FHLBank Boston.

**OLB:** Online Banking platform that differs from the Community Lending platform. OLB is utilized for the annual LUH agreements that are executed by authorized signers under the EBP/HOW Entitlements.

**UEA:** User Entitlement Administrator designates the authorized signer under the EBP/HOW Entitlements and provides the signature authorization prior to the execution of the annual LUH agreement on behalf of the member's organization.

**SPCP:** Special Purpose Credit Program

**The Written Plan:** FHLBank Boston Written Plan to Establish Special Purpose Credit Program under Equal Credit Opportunity Act and Regulation B.

**IX. Procedures History Log:**

<b>Date</b>	<b>Purpose</b>	<b>Author</b>	<b>Approved By</b>
03/28/2023	Creation/Initial Adoption	Kaitlyn Mulhern	Livia Bourque
7/11/2023	Revision	Kaitlyn Mulhern	Livia Bourque
03/18/2024	Annual Update	Kaitlyn Mulhern	Livia Bourque

## Statements of Procedures for LUH:

### A. Program Round, Application Submissions, Review and Approvals

#### a. Overview

LUH offers members grants for income-eligible homebuyers who: self-certify as Black, American Indian/Alaska Native, Hispanic, Asian, and Native Hawaiian/Pacific Islander; have income at or below 120% of AMI (as defined by HUD), based on the location of the subject property; are first-time homebuyers, and complete a homebuyer or homeowner counseling course from an organization approved by FHLBank Boston. LUH may be used to fund down-payment and closing-cost assistance, including interest-rate buydowns (cannot exceed 2 points). LUH operates procedurally like FHLBank Boston's Equity Builder Program ("EBP") and Housing Our Workforce Program ("HOW") homeownership assistance programs.

#### b. LUH Funding Round

FHLBank Boston will announce funding availability, including total program funding, member limit, and per homebuyer limit, in the spring of each calendar year. The formal announcement of LUH will be sent to members. HCI will conduct outreach throughout New England to educate members on the eligibility requirements to participate in the program. Members in good credit standing with FHLBank Boston, including no Community Support Restrictions, are eligible to receive up to the maximum annual enrollment cap of \$500,000.

#### c. Solicitation of Members/Applications

The announcement will be distributed 10 to 15 days prior to the opening of the LUH funding round. The audience includes member CEOs, CFOs, and prior year LUH contacts. The announcement will include information and instructions on the application process, enrollment period, definitions, eligibility requirements, and all applicable dates.

#### d. Execution of the Lift Up Homeownership Assistance Agreement

The member will identify the appropriate contact to execute the agreement. An authorized signer of the member must sign the agreement governing the terms and conditions of the Program acknowledging their participation in the LUH. The agreement also includes an addendum acknowledging the member's acceptance and participation in FHLBank Boston's Special Purpose Credit Program.

#### e. Member Award Notification

Members will be notified via email of their approval to participate in LUH and can begin identifying eligible homebuyers prior to the LUH funding release. FHLBank Boston will also provide members with marketing materials, including a press release template and homebuyer flyer, to assist in promoting the program to potential eligible homebuyers. The marketing materials can be located within the [Community Lending](#) platform under Lift Up Homeownership.

## B. Homebuyer/Member Requirements

### a. Overview

The homebuyer must obtain first mortgage financing through a member that is approved to participate in LUH. The homebuyer may layer the LUH grant with other down-payment assistance programs. The LUH grant cannot be combined with any of FHLBank Boston's other affordable housing and down0payment and closing-cost assistance programs including the Affordable Housing Program (AHP), EBP, or HOW. In addition, a homebuyer cannot receive more than \$250 cash back at closing. The homebuyer must meet the income-eligibility requirement and self-certify that at least one adult borrower is a person of color as defined in these procedures.

### b. Income Eligibility

The homebuyer's income cannot exceed 120% AMI as defined by the Department of Housing and Urban Development (HUD), based on the location of the subject property. The homebuyer and household members must complete and execute FHLBank Boston's LUH Disclosure, identifying all persons who reside in the household, including the incomes of each individual residing in the household.

### c. Homebuyer Self-Certification

The homebuyer must complete and execute FHLBank Boston's Lift Up Homeownership self-certification form. The self-certification form allows the homebuyer(s) to self-certify as one or more of the following: Black, American Indian/Alaska Native, Hispanic, Asian, and Native Hawaiian/Pacific Islander. In the case of joint homebuyers/borrowers, only one homebuyer needs to qualify as a person of color. The form will be reviewed by HCI.

### d. First-time Homebuyer Education and Counseling

At least one of the homebuyers must complete homeownership education/counseling approved by FHLBank Boston within 24 months of enrollment approval or closing. Approved agencies can be found on FHLBank Boston's [Homebuyer Education/Counseling Organization List](#). The use of online education/counseling is permitted through either eHome America, Finally Home!, or Framework preferably through one of FHLBank Boston's list of recognized education/counseling agencies. If a homebuyer completes online education/counseling directly through eHome America, Finally Home!, or Framework, the member is required to ensure the homebuyer completes the post-counseling component.

### e. Additional Requirements

*Subject Property:* If there is a change in the subject property's location, FHLBank Boston must be notified prior to closing to reconfirm eligibility. If the enrollment no longer qualifies, it will be withdrawn.

*Related-Party Transactions:* In transactions where there are related-parties, FHLBank Boston may request additional documentation to determine the relatedness of the parties and that the transaction is arm's length. Examples include the following: seller

is a relative to the buyer, a real estate attorney or agent is related to either buyer or seller, and buyer is currently residing in the subject property.

*Member Concession:* The member must provide a concession to the homebuyer in connection with the grant. The member only needs to provide one concession to each homebuyer. The member concession can deviate from the original concession listed at time of application. HCI will confirm that the member has provided a concession to the buyer prior to disbursement. The following concessions will be acceptable:

- Reduced or waived fees,
- Below-market interest rates (must be supported by standard rate sheets to determine the homebuyer received a discounted rate),
- Expanded underwriting standards (must be supported with a memo explaining the waiving or expansion of the member's underwriting in conjunction with their standard guidelines and/or procedures); or
- Lender credit, down-payment assistance or other cash contributions made by the member at closing.

*FHFA Suspended Counterparty Review:* FHLBank Boston will review the suspended counterparty list for all homebuyers as part of the enrollment process. Any matches found must be reported to FHLBank Boston's compliance department. Homebuyers on the suspended counterparty list are not eligible to receive down-payment assistance from any FHLBank Boston program.

## C. Grant Enrollment Submission

### a. Overview

The member must submit the homebuyer enrollment through FHLBank Boston's [Community Lending](#) online system. Members will reserve LUH grant funds by completing the homebuyer enrollment process, which includes an income calculation and review of required documentation. Effective 2024, the allocation methodology is comprised of two separate pools of money. The first pool will give each of the six New England states 60 days to identify homebuyers. The state-by-state pool must be used first; any funds not utilized within the 60 days will be placed in the general pool. The general pool is the second pool and available to all members in each New England state on a first-come, first-served basis. LUH funds are not guaranteed but reserved for a homebuyer until the enrollment is reviewed and approved by FHLBank Boston.

### b. Income Eligibility

The homebuyer's income cannot exceed 120% of AMI as defined by HUD, based on the location of the subject property. Please refer to the [Homeownership Assistance Programs Income Calculation Guidelines](#) for more information. The member must ensure the LUH Disclosure is complete and fully executed. E-signatures are permitted through the member's electronic signature software. Please refer to the definition of e-signature on the disclosure. The member will be required to upload a signed and dated copy of the LUH Disclosure upon enrollment of an eligible homebuyer.

## Elements of the LUH Disclosure

- Pages 1-4: Informs the homebuyer of the LUH program requirements prior to closing and afterward.
- Pages 5-6: *Household Members and Income Worksheet*, must be **completed by the entire household**. The worksheet must be reviewed and validated by the member's Loan Originator and authorized member contact for LUH (the contact is the person authorized through the [Community Lending](#) online system). Each individual adult member in the household is required to disclose their source of income. The total income disclosed by adult household members will be used to determine income eligibility for the LUH grant.
- Page 7: *Authorization to Release/Certification of Information*, must be reviewed and signed by **all** adult household members, 18 years of age or older.
- Page 8: *First-time Homebuyer Certification*, must be signed by all adult household members, 18 years of age or older.

### **c. Lift Up Homeownership Self-Certification Form**

The member must submit the fully executed FHLBank Boston Homebuyer Self-certification form of race or ethnicity at time of enrollment. The member must inform the borrower/homebuyer that, while optional, the self-certification form is necessary to determine eligibility for FHLBank Boston's SPCP. FHLBank Boston and members' employees and officers who make determinations on credit applications, such as loan officers and underwriters, may have access to the information provided on this form. However, members' employees cannot use the information on this form for any purpose other than evaluating eligibility for FHLBank Boston's SPCP and the LUH program. The member cannot discriminate based on whether this information is provided. Homebuyers who choose not to complete the self-certification are ineligible for the program.

### **d. First-time Homebuyer Education and Counseling**

The member must submit a certificate that evidences at least one of the homebuyers/borrowers have completed first-time homebuyer education/counseling within 24 months of the enrollment approval or closing. The education/counseling must follow accepted industry standards regarding the purchase, ownership, and maintenance of the home. The approved agency must be on FHLBank Boston's [Homebuyer Education/ Counseling Organization List](#).

### **e. Mortgage Financing Requirements**

The member must provide a mortgage that is either conventional fixed-rate (including conforming and or non-conforming and portfolio or secondary market), conventional adjustable-rate, Federal Housing Administration (FHA) jumbo mortgage, U.S

Department of Agriculture (USDA, and Veteran Administration (VA) loan products. Conventional adjustable-rate mortgages (ARM) are acceptable with an initial interest rate period of five years or greater. The maximum initial and total rate adjustment cap(s) can be no greater than 2/6, respectively. Other mortgage products may be considered and approved by FHLBank Boston. The specific mortgage product will be evaluated at either the enrollment or disbursement processes. To mitigate any unintended support of inappropriate lending practices, FHLBank Boston will assess whether ARM products are subprime or have predatory loan characteristics using methodology and definitions from the Interagency Guidance on Nontraditional Mortgage Product Risks (September 28, 2006) and the Statement on Subprime Mortgage Lending (June 29, 2007). Should the mortgage product change, and no longer comply, HCI may deny the grant transaction.

## D. Expirations, Cancellations, and Extension Policy

After a homebuyer enrollment request has been submitted by the member and approved by FHLBank Boston, LUH funds for the homebuyer are reserved for a 120-day period. On a case-by-case basis, FHLBank Boston, in its sole discretion, may grant an extension..

### a. Cancellation of an Enrollment

Approved enrollments and reserved funds are specific to homebuyer(s). FHLBank Boston will allow the subject property to be updated or changed for the homebuyer(s) when a purchase transaction is cancelled due to specific property issues. Members must notify FHLBank Boston when a homebuyer's request for financing is cancelled or denied. Subsequently, FHLBank Boston will cancel the enrollment and return the funds to the LUH pool for other members to use.

Members can withdraw enrollments that are in "Submitted" status through FHLBank Boston's [Community Lending](#). Members that would like to withdraw an enrollment in "MAR" or "Approved" status, must contact the LUH team via email. These contacts are on FHLBank Boston's website under the [HCI team](#), which includes each staff person's respective program responsibility. When requesting the withdrawal of a homebuyer(s) in "Approved" status, members must provide a brief explanation noting the reason for the withdrawal. In addition, if a member decreases a previously approved LUH grant for any reason, an explanation is required. Grant decreases require a formal approval that will be reviewed and processed by the Homeownership Set-Aside Programs Manager or the AVP, HCI Operations Manager.

### b. Expiration of an Approved Enrollment

The member will receive an automated email 10 business days prior to the expiration of the previously approved enrollment. The member will be required to request disbursement, request an extension in writing, or withdraw the enrollment. Members can view the expiration/extension dates of all enrolled homebuyers through the secure [Community Lending](#) platform by clicking on the "Manage My Approved Homebuyer Income Calculations/Enrollments."



### c. Enrollment Extension Requests

FHLBank Boston must be contacted to discuss the extension of the enrollment. Extension requests must include the cause of the delay, anticipated date of resolution, anticipated closing date, and confirmation of the member's loan commitment. All reservations for LUH funds are specific to the homebuyer(s). FHLBank Boston will allow the subject property to be updated or changed when a purchase transaction is cancelled due to property issues, at its sole discretion. If the homebuyer(s) with an approved extension does not find another property within 60 days, the member must notify FHLBank Boston. Subsequently, FHLBank Boston will cancel the enrollment and return the funds to the LUH pool for other members to use.

Members will be notified of all denied extensions prior to withdrawal of the enrollment. LUH funds associated with the withdrawal will be added back to the member's enrollment cap and the LUH general pool. LUH funds are not guaranteed to any one member and are on a first-come, first-served basis. Approved enrollments are recognized as commitments by FHLBank Boston with an eventual disbursement date.

### d. Disbursement Extension Requests

Effective 2024, approved enrollments under LUH can disburse after calendar year-end. Any LUH approved enrollment/reservation carried over into the following year must be submitted by the member prior to FHLBank Boston's release of new funding. FHLBank Boston must be contacted to discuss the extension of the disbursement. Extension requests must include the cause of the delay, anticipated date of resolution, and the anticipated closing date. The member must document the extenuating circumstance for the extension (for example, new property construction completion) for FHLBank Boston to determine length of extension. Extension requests are at the sole discretion of FHLBank Boston on a case-by-case basis.

## E. Disbursement Request

### a. Overview

LUH funds are disbursed to members on a reimbursement basis after the receipt and approval of required documentation. Members must request the disbursement of funds using FHLBank Boston's [Community Lending](#) online system. Members can request a disbursement through the "Manage My Approved Homebuyer Income Calculations/Enrollments" screen. HCI is notified electronically when a member submits a request to disburse LUH funds for an enrolled homebuyer. The member must submit all required documentation with the disbursement request. FHLBank Boston allows up to 20 business days to execute a reimbursement to the member once all documentation as noted in section b through section e below is completed, as well as all information entered into the [Community Lending](#) online system. Please note that the 20 business-day period begins on the day HCI receives all satisfactory documentation for the disbursement request.

**b. People of Color Verification**

Members must ensure that the homebuyer(s) continues to qualify as a person of color, as defined in these procedures and the executed self-certification form, which must be included in the disbursement request.

**c. Mortgage and Notes**

Members must provide the fully executed LUH note and LUH recorded mortgage for each homebuyer(s) securing the funds for a five-year period. Templates of the LUH note and mortgage are located on FHLBank Boston's website and must be used by the member's closing attorney(s). **The most current versions must be used and executed because they include the current program year.** For transactions involving a FHA loan product, members must provide the recorded deed restriction to secure the LUH funds, which is also available on FHLBank Boston's website. Members should review the LUH notes and mortgages prior to closing, ensuring all appropriate parties are reflected on the documents. The members must work with their closing attorney to ensure all documents are properly executed in accordance with mortgage industry standards.

**d. Closing Disclosure**

Members must review and approve the Closing Disclosure (CD) in advance of the closing to ensure that the LUH grant is provided to the homebuyer(s) and listed on the CD. A separate CD is not required for LUH. The LUH funds must be listed as a grant on page 3 of the CD. Please note that the LUH grant should not be listed as a loan on the CD because no monthly principal and interest payments are required.

The member must ensure that the LUH funds are used at the time of closing to directly benefit the homebuyer(s) for eligible costs. No more than \$250 cash back can be provided to the homebuyer(s) at closing. If a homebuyer(s) is expected to receive more than \$250 cash back at closing, FHLBank Boston prescribes two options. First, the member can reduce either the first mortgage or LUH grant amount that exceeds the \$250 cash back. Second, the member can apply any amount above \$250 as a credit to reduce the principal of the mortgage loan or as a credit to the homebuyer(s)'s monthly payments on the mortgage loan. If the member decides to take the second option, FHLBank Boston must be notified in advance of the closing and/or as soon as possible. The member must submit evidence to FHLBank Boston documenting the resolution no later than 15 days after the disbursement request. If evidence is not submitted by the deadline, FHLBank Boston may opt to disburse the LUH funds, less the amount of unexplained cash back exceeding \$250. FHLBank Boston reserves the right to extend this deadline on a case-by-case basis when documentation is provided showing progress towards resolving the oversight.

**e. First-time Homebuyer Education and Counseling**

The member must submit a certificate evidencing that at least one of the homebuyers/borrowers has completed first-time homebuyer education/counseling within 24 months of the enrollment approval or closing. The education/counseling must follow accepted industry standards regarding the purchase, ownership, and

maintenance of the home. The approved agency must be on FHLBank Boston's [Homebuyer Education/ Counseling Organization List](#).

The use of online education/counseling is permitted through either eHome America, Finally Home! or Framework preferably through FHLBank Boston's list of recognized education/counseling agencies. If a homebuyer completes online education/counseling directly through eHome America, Finally Home! or Framework, the member is required to ensure the homebuyer completes the post-counseling component. FHLBank Boston will not permit online education/counseling agencies other than eHome America, Finally Home! or Framework. Disbursement of funds will be held or denied without this certificate.

**f. Use of Grant Funds**

The member must identify the homebuyer's use of LUH grant funds on the [Community Lending](#) online system. Eligible uses include down payment, customary closing costs, and discount points. The homebuyer's earnest money deposit/down payment cannot be reimbursed using the grant funds and must remain in the transaction. Closing costs include customary closing costs in conjunction with the purchase transaction and other costs associated with the loan, including interest-rate buydown. If the LUH grant is used toward interest-rate buydown, 2% is the maximum points associated with the use of funds.

**g. Additional Mortgage Requirements**

The member must enter all information pertaining to the mortgage product, total housing payment, homebuyer's front-end ratio, amount of LUH grant funds being reserved (up to the maximum household cap), and any required explanations for deviations outside of FHLBank Boston's thresholds within the [Community Lending](#) online system. If the monthly housing payment is more than **37%** of the homebuyer's gross monthly income, the member must confirm the homebuyer's ability to support the mortgage and associated housing costs. HCI reserves the right to request more information pertaining to adequate income, or to deny disbursement. If the homebuyer's housing ratio exceeds FHLBank Boston's maximum, an explanation of reasonable compensating factors is required. Acceptable examples that demonstrate the homebuyer can sustain homeownership include the following: current rental payment evidencing minimal payment shock, minimal or no additional monthly debt, and two to six months reserves. Anything outside the three examples requires the member's due diligence assuring the ability to repay.

## **F. Retention and Monitoring Requirements**

**a. Overview**

If the property is sold, the title is transferred, the title of deed is assigned, the mortgage refinanced, or a foreclosure occurs during the first five years of the LUH retention period, the member must notify FHLBank Boston when the new transaction is originated. FHLBank Boston will perform a subsidy repayment calculation, if applicable. FHLBank Boston or its designee will notify LUH-assisted households at the

time they purchase units that they should maintain documentation of their 'Household Investments' in case the unit is sold or refinanced during the five-year retention period.

**b. Five-year Retention Period**

The member is responsible for maintaining records to comply with FHLBank Boston's five-year retention period. It is the member's sole responsibility to execute the discharge during a homeowner's sale, transfer, assignment of title or deed, refinance, and foreclosure. Similarly, at the end of the five-year retention period regardless of whether the LUH homeowner's first mortgage is sold to another lender, the member must execute the discharge and cover the recording cost or in the case of a refinance, coordinate with the new lender.

**c. Sale**

Once the member has notified FHLBank Boston, FHLBank Boston will request a copy of the draft seller's CD for the sale or the borrower's CD for refinance transaction (if new lender will not subordinate). The closing date should be firm as the repayment calculation is based on that date. The homebuyer(s) will be given a reasonable amount of time, as specified by these procedures, to provide the documentation to the FHLBank or its designee in the event of a sale or refinancing (if refi cannot be subordinated). FHLBank Boston's two-tier review has a standard turnaround time of two business days upon receipt of documentation to complete the repayment calculation. HCI staff will conduct the repayment calculation to determine if any funds are due back to FHLBank Boston, notify the member by email of the results of the repayment calculation, and request an electronic copy of the executed grant discharge.

**d. Refinance**

The LUH standard mortgage or deed restriction for FHA loan products may remain in place and can be subordinated to the new mortgage loan. Subordinations do not require repayment calculation. The following steps are required to complete the subordination on behalf of a homeowner that received the LUH grant:

- Member to execute the Bank's subordination template;
- Member to submit the completed draft of subordination template;
- FHLBank Boston's legal team to review the subordination;
- FHLBank Boston's legal team to provide revisions or approval for member to proceed with transaction;
- Member to execute and record the subordination; and
- Member to provide electronic copy of the subordination (recording copy is NOT required)

**e. Foreclosure**

The homebuyer's obligation to repay the LUH grant terminates after any foreclosure, transfer by deed-in-lieu of foreclosure, assignment of an FHA first mortgage to HUD, or death of the LUH-assisted homeowner within the five-year retention period. The member must notify FHLBank Boston of any of the above scenarios.

**f. Additional Member Monitoring Requirements**

The member is required to retain a separate file for each individual LUH grant. In accordance with the LUH agreement, the member will remain the point of contact for the homebuyer(s) throughout the five-year retention period. All communication will be initiated by the originating member on behalf of the homebuyer(s). Members are responsible for the discharge of the LUH standard mortgage or deed restriction for FHA loan products upon expiration of the five-year retention period.

**g. Fraudulent Activity**

FHLBank Boston has established policies and is committed to implementing and maintaining processes and controls to discover fraud. The member is expected to support FHLBank Boston's efforts in addressing fraud by immediately providing written notification of any suspected fraudulent activity in relation to their dealings with FHLBank Boston. Should the member discover or suspect an instance of fraud related to an FHLBank Boston business transaction, which may include any material misstatement, misrepresentation, or omission, the member must notify FHLBank Boston immediately. Additionally, it is FHLBank Boston's discretion to inquire if potential fraud has been committed, based on information provided at enrollment or disbursement. If either intentional or unintentional fraud has been identified by FHLBank Boston, the member will be monitored further than the standard two-tier review and require additional training.