

FHLBank Boston Collateral Release Procedures

The Federal Home Loan Bank of Boston (the “Bank”) requires each member to pledge adequate eligible collateral to satisfy such member’s individual Collateral Maintenance Level (“CML”) for the benefit of the Bank. Pledged collateral may be in the form of, among other things, loans or securities and must meet the eligibility criteria set forth in the Bank’s Products and Solutions Guide, including, without limitation, the criteria applicable to the member’s category designation.

From time to time, a member that has listed or delivered collateral to the Bank, the Bank’s designee, or an approved third-party custodian may request the release of excess collateral (i.e., pledged collateral that exceeds such member’s individual CML). Members may submit such a request to the Bank by 1:00 p.m. on any business day. Requests submitted after 1:00 p.m. will be effective on the next business day. The following are procedures applicable to a member’s request for the release of excess collateral:

- 1) **Securities held at the Bank’s custodian, Citibank:**
The member must submit delivery instructions online via FHLBank Boston Online Banking (OLB) by 1:00 P.M. for same day processing. Otherwise, the request will be processed the next business day.
- 2) **Securities at a Third Party**
The member may request in writing via the “Request to Release Pledged Securities” form. The executed form may be delivered via email or faxed directly to the Bank’s Collateral Department. Email: collateral@fhlbboston.com Fax Number: 617-261-3330. The form must be received by the Bank prior to 1 P.M. on any given business day to be effective on that business day. Upon receipt of a member’s request, the Bank will instruct the applicable third-party custodian to return the requested excess collateral in accordance with the delivery instruction and schedule of the third-party custodian.
- 3) **Loans held at the member:**
Members in collateral categories 1 and 2 that list loans may communicate a request to the Bank via email and by submitting an updated loan file to the Bank.
- 4) **Loans held by the Bank or its designee as the case may be:**
The member may request in writing via the “Request to Release Pledged Loan Collateral” form. The executed form may be delivered via email or faxed directly to the Bank’s Collateral Department. Email: collateral@fhlbboston.com Fax Number: 617-261-3330. The Bank will generally direct the return of any requested excess loan collateral within 10 business days from the receipt of a member’s request and an updated collateral loan file.

Once the appropriate request form or delivery instructions are received by the Bank, the Bank’s collateral staff shall confirm that the member will have sufficient eligible collateral available after the requested collateral is released to satisfy the member’s CML. Thereafter, the Bank will execute appropriate releases to facilitate the transfer of the requested excess collateral. If the release of the requested collateral will leave the member with a CML deficiency, the Bank’s collateral staff will contact the member to communicate that the release is not approved, and to discuss the member’s options.