

AGREEMENT BETWEEN

**THE NATIONAL CREDIT UNION ADMINISTRATION BOARD
AND
[NAME OF CORPORATE] CREDIT UNION**

**REGARDING THE TEMPORARY GUARANTEE OF CERTAIN UNSECURED DEBT
OBLIGATIONS**

THIS AGREEMENT is made and entered into on _____, by [Name of Corporate] Credit Union (hereinafter “CORPORATE”), a credit union organized under the laws of [the United States of America/state of _____] doing business at [address of Corporate] and the National Credit Union Administration Board (hereinafter “BOARD”), the managing body of the National Credit Union Administration (hereinafter “NCUA”) and the National Credit Union Share Insurance Fund (hereinafter “NCUSIF”) pursuant to the Federal Credit Union Act, 12 U.S.C. 1751, et. Seq. (the “Act”).

Whereas, the Act authorizes the BOARD to take actions consistent with the purpose of insuring member accounts under Title II of the Act, and

Whereas, the Act authorizes the Board to exercise incidental powers necessary to carry out the powers specifically granted by the Act, and

Whereas, the BOARD has determined it is in the best interest of NCUSIF to provide a temporary guarantee for the unsecured debt obligations of CORPORATE, known as the Temporary Corporate Credit Union Liquidity Guarantee Program (hereinafter “TCCULGP”), to enable CORPORATE to access sources for funding liquidity needs.

NOW, THEREAFTER, in consideration of the BOARD’s Agreement to guarantee unsecured debt obligations issued by CORPORATE, as detailed below, CORPORATE and the BOARD agree as follows:

1. *Guarantee.* The NCUSIF will guarantee 100% of CORPORATE’s senior unsecured debt obligations, as defined below, issued from October 16, 2008 through June 30, 2009 and maturing before June 30, 2012. The amount of senior unsecured debt obligations guaranteed under this Agreement shall not exceed _____. (NOTE: This amount may be increased with the prior written approval of the NCUA.)

2. *Qualifying obligations.* The term “senior unsecured debt obligations” includes the following: federal funds purchased, promissory notes, commercial paper, and unsubordinated unsecured notes, issued from October 16, 2008 through June 30, 2009 and maturing on or before June 30, 2012. The senior unsecured debt must be noncontingent. It must be evidenced by a written agreement, contain a specified and fixed principal amount to be paid on a date certain, and not be subordinated to another liability. The term “senior unsecured debt” DOES NOT INCLUDE:
 - (a) Share accounts. Shares are insured by NCUSIF under 12 C.F.R. Part 745.
 - (b) Capital accounts, including Member Capital and Paid-in Capital.
 - (c) Derivatives.
 - (d) Obligations from guarantees or other contingent liabilities.

3. *Use of funds obtained under guarantee.* Subject to paragraph 7(b), CORPORATE will NOT identify debt as guaranteed by the NCUSIF if:
 - (a) The BOARD has terminated the participation of CORPORATE by formal written notification and posted such notification on NCUA’s website;
 - (b) CORPORATE has exceeded its authorized limit for issued guaranteed debt as specified in paragraph 1, above;
 - (c) The debt is extended to a CORPORATE affiliate, an insider of CORPORATE, or an insider of an affiliate without prior NCUA approval of the guarantee;
 - (d) CORPORATE uses the proceeds of the obligation to prepay another existing debt; or
 - (e) The debt does not otherwise meet the requirements of this Agreement.

4. *Determination of guarantee and notice to creditor.* CORPORATE will determine, at time of debt issuance, which of its qualifying obligations are covered by the NCUSIF guarantee and which are not covered by the NCUSIF guarantee. When CORPORATE determines a particular obligation will be covered by the guarantee, it must notify the creditor, contemporaneous with the issuance of the obligation, that the credit union intends the obligation to be guaranteed by the NCUSIF. NCUSIF will not honor a guarantee claim without proof **recorded at or before the time of debt issuance** of CORPORATE’s intent to guarantee. CORPORATE is also encouraged to provide a copy of this Agreement to each of its participating creditors.

5. *Nature of guarantee and procedure for claims determination.*
 - (a) *Cancellation of guarantee.* Once a qualifying debt has been guaranteed by NCUSIF under the terms of this agreement, the guarantee will continue until the debt

has been fully repaid. No party, including NCUSIF, the CORPORATE, or a creditor holding the debt, may cancel the guarantee without the prior written approval of the other involved parties.

(b) *Payments by NCUSIF on guaranteed debt.*

(i) *In general.* The NCUSIF's obligation to pay holders of NCUSIF-guaranteed debt issued by CORPORATE will arise upon the uncured failure of CORPORATE to make a timely payment of principal or interest as required under the debt instrument (a "payment default").

(ii) *Method of payment.* Upon the occurrence of a payment default, the NCUSIF will satisfy its guarantee obligation by making scheduled payments of principal and interest pursuant to the terms of the debt instrument through maturity (without regard to default or penalty provisions).

(iii) *Demand for payment; proof of claim.*

(A) Individual debt-holders, or their authorized representatives, may make demand for payment of the guaranteed amount upon the NCUSIF. To be considered for payment, such demand must be accompanied by a proof of claim, which must include evidence in form and content satisfactory to the NCUSIF of: the occurrence of a payment default and the claimant's ownership of the NCUSIF-guaranteed debt obligation. The demand must also be accompanied by an assignment to the NCUSIF, in form and content satisfactory to the NCUSIF, of the debt-holder's rights, title, and interest in the NCUSIF-guaranteed debt and the transfer to the NCUSIF of the debt-holder's claim in any insolvency proceeding. This assignment must include the right of the NCUSIF to receive any and all distributions on the debt from the proceeds of CORPORATE's liquidation estate. If any holder of the NCUSIF-guaranteed debt has received any distribution from the estate prior to the NCUSIF's payment under the guarantee, the guaranteed amount paid by the NCUSIF will be reduced by the amount the holder has received in the distribution. All such demands must be made within 90 days of the occurrence of the payment default upon which the demand is based. Upon receipt of a conforming proof of claim, if timely filed, the NCUSIF will make a payment of the amount guaranteed.

(B) Any demand under this subsection must be made in writing and directed to the Executive Director, National Credit Union

Administration, Alexandria, Virginia. The demand must include all supporting evidence as set forth in the previous subsections and must certify to the accuracy of the claim.

(C) Failure of the holder of the NCUSIF-guaranteed debt to make demand for payment within ninety (90) days of the occurrence of payment default will deprive the holder of the NCUSIF-guaranteed debt of all further rights and remedies with respect to the guarantee claim.

(c) *Subrogation.* Upon any NCUSIF payment made under this section, the NCUSIF will be subrogated to the rights of any debt-holder against the CORPORATE, including in respect of any insolvency proceeding, to the extent of the payments made.

(d) *Release and satisfaction.* Payment by NCUSIF under this section will constitute, to the extent of payments made, satisfaction of all NCUSIF obligations under the debt guarantee program with respect to that debt-holder or holders. Acceptance of any such payments will constitute a release of any liability of the NCUSIF under the debt guarantee program with respect to those payments. CORPORATE agrees and acknowledges that it will be indebted to the NCUSIF for any payments made under these provisions (including amounts paid to another party in return for its assumption of a guaranteed debt issuance) and CORPORATE will honor immediately a demand by the NCUSIF for reimbursement therefore.

(e) *Final determination; review of final determination.* The NCUSIF's determination under this paragraph will be a final administrative determination subject only to judicial review. The holder of NCUSIF-guaranteed debt will have the right to seek judicial review of the NCUSIF's final determination in the district court of the United States where CORPORATE's principal place of business is located or in the United States District Court for the District of Columbia. Failure of the holder of the NCUSIF-guaranteed debt to seek such judicial review within sixty (60) days of the date of the rendering of the final determination will deprive the holder of the NCUSIF-guaranteed debt of all further rights and remedies with respect to the guarantee claim.

6. *Participation.* CORPORATE's election to participate in the TCCULGP applies until June 30, 2012. CORPORATE will pay the guarantee assessment as specified in paragraph 7, below, for every debt obligation guaranteed under the TCCULGP. CORPORATE's election to participate covers qualifying unsecured debt obligations issued from October 16, 2008 up to and including June 30, 2009 if:

- (a) The debt matures on or before June 30, 2012; and
- (b) The CORPORATE identifies the debt as covered by the guarantee.

7. *Assessments.*

- (a) *Assessment calculation and remittance.* Beginning on October 16, 2008, CORPORATE will pay NCUSIF an assessment of 75 basis points a year on the outstanding principal of each guaranteed obligation. CORPORATE will provide a listing of guaranteed transactions to NCUSIF by the third business day of each month for the prior month's transactions. NCUSIF will provide an invoice to CORPORATE by the tenth business day of each month. The fee will be calculated by multiplying the dollar amount of the guaranteed unsecured debt obligation by 75 basis points, multiplied by the number of days the issuance is outstanding, and divided by 365. CORPORATE will wire fees to NCUSIF by the fifteenth business day of the month, pursuant to invoice instructions.
- (b) *Increased assessment for debt exceeding the guarantee limit or misusing debt proceeds.* If CORPORATE issues qualifying debt represented as being guaranteed by the NCUSIF that exceeds CORPORATE's guaranteed amount limit as set forth in paragraph 1, above, or CORPORATE uses the proceeds of any guaranteed debt to prepay an existing debt obligation, NCUSIF will honor the guarantee, PROVIDED, HOWEVER, that upon the occurrence of either event CORPORATE's assessment rate for all outstanding guaranteed debt will increase to 150 basis points for purposes of the calculation in subparagraph (a), above and, in addition, CORPORATE may be subject to enforcement action by the BOARD, including civil money penalties under the Act.
8. *Reporting to NCUSIF.* CORPORATE will provide a spreadsheet to NCUSIF by the third business day of each month listing all guarantees in effect at any time during the prior month. The spreadsheet will disclose the name of the creditor, the type of transaction, the dollar amount of the transaction, the starting date of the transaction, and the maturity date of the transaction. Additionally, CORPORATE will copy NCUSIF on all written confirmations provided to creditors indicating that a specific transaction is guaranteed under the TCCULGP. Transactions that are confirmed via telephone must also be followed up with a written confirmation on which NCUSIF is copied. All reporting documentation to NCUSIF will be submitted to the Office of Corporate Credit Unions via electronic submission to OCCUmail@ncua.gov. All documents related to the TCCULGP must be made available to CORPORATE's examiner upon request.

9. *Termination.*

(a) BOARD may terminate CORPORATE's participation in the TCCULGP at any time and at BOARD's discretion. Termination will be by written notice issued to the CORPORATE and published on NCUA's website. The NCUSIF guarantee will continue, until the debt is fully repaid, on any of CORPORATE's debt issued guaranteed by NCUSIF before NCUSIF publishes the notice of termination on NCUA's website.

(b) CORPORATE may not terminate its participation in the TCCULGP.

Agreed:

NATIONAL CREDIT UNION ADMINISTRATION BOARD

BY: _____

Date: _____

TITLE: Executive Director

Pursuant to delegated authority

[NAME OF CORPORATE] CREDIT UNION

BY: _____

Date: _____

TITLE: _____