

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 BOARD 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 NCUA 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 NCUA 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 NCUA guarantee and which are not covered by the NCUA 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 NCUA. NCUA 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) Once a qualifying debt has been guaranteed by NCUA under the terms of this agreement, the guarantee will continue until the debt has been fully repaid. No party,

including NCUA, the CORPORATE, or the creditor, may cancel the guarantee without the prior written approval of the other parties.

(b) The BOARD will not be liable for any amounts guaranteed unless CORPORATE is liquidated under provisions of the Act. Holders of guaranteed debt must file a claim with NCUA within ninety days after NCUA publishes a notice to creditors to present claims pursuant to 12 U.S.C. §1787(b)(3)(B). The BOARD will consider the proof of claim, if timely filed, and will make a determination of the amount guaranteed within 180 days of the filing of the proof of claim, unless extended by written agreement between the claimant and the BOARD. The BOARD's determination will be final. The BOARD will pay interest to the creditor at the 90-day T-bill rate if there is a delay in payment beyond the next business day after liquidation.

Upon payment of a guarantee claim by the BOARD, the BOARD becomes an unsecured creditor of CORPORATE for the amount of the payment.

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 NCUA 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 NCUA by the third business day of each month for the prior month's transactions. NCUA 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 NCUA 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 NCUA 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, NCUA 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 NCUA.* CORPORATE will provide a spreadsheet to NCUA by the third business 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 NCUA 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 NCUA is copied. All reporting documentation to NCUA 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 NCUA guarantee will continue, until the debt is fully repaid, on any of CORPORATE's debt issued guaranteed by NCUA before NCUA 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: _____