



## SECURITIES ACCOUNT CONTROL AGREEMENT

Dated as of: \_\_\_\_\_

among

Federal Home Loan Bank of New York, as “Secured Party”,

\_\_\_\_\_, as “Pledgor”, and

Citibank, N.A., New York Offices, as “Securities Intermediary”

Account Number: \_\_\_\_\_

### BACKGROUND

SECURITIES ACCOUNT CONTROL AGREEMENT (the “Agreement”) dated as of \_\_\_\_\_, 20 \_\_\_\_, among Citibank, N.A., a national banking association acting as securities intermediary for the purposes of this Agreement (the “Securities Intermediary” or “Bank”), the Federal Home Loan Bank of New York, having its principal place of business at 101 Park Avenue, 5<sup>th</sup> Floor, New York, NY 10178 (the “Secured Party”), and the Secured Party’s customer described above (the “Pledgor” or “Customer”) (collectively, the “Parties” hereto).

WHEREAS, the Secured Party makes advances to its customers pursuant to an Advances, Collateral Pledge and Security Agreement (ACPSA) executed by its customers which advances are secured by securities and/or funds in such custodial accounts; and

WHEREAS, Pledgor, a customer of the Secured Party, has executed an ACPSA, dated as of \_\_\_\_\_, and has granted the Secured Party a security interest in the financial assets (including any security entitlements and cash) in the securities account identified above by account number (the **Account**), maintained by the Secured Party as custodian for the Pledgor, and

WHEREAS, the Secured Party maintains such custodial accounts for its customers at the Bank pursuant to a Global Custodial Services Agreement made on September 29, 2003, as such may be amended from time to time (the “Custody Agreement”); and

WHEREAS, the Bank and the Secured Party have entered into that certain CitiDirect for Securities Services Agreement dated as of March 1, 2014, as such may be amended from time to time (the “Services Agreement”) enabling the Secured Party to electronically manage and administer such custodian accounts on behalf of its customers in accordance with the terms of the Custody Agreement and the Services Agreement; and

WHEREAS, it is the intention of the Parties that the Secured Party shall have at all times a first priority security interest in pledged securities and/or funds in the custodial account that is perfected by control within the meaning of Section 9-106 of the Uniform Commercial Code as in effect in New York; and

WHEREAS, the parties hereto intend that, as respects the relationship between the Pledgor and the Secured Party, the Secured Party is a Securities Intermediary within the meaning of 8-102(a)(14) of the UCC, and the security interest granted by the Pledgor to the Secured Party is therefore perfected by control under 8-106(e), but are entering into this Control Agreement as a precautionary measure against the possibility of a contrary interpretation by a court of competent jurisdiction; and

WHEREAS, it is the intention of the Parties that this Agreement shall not confer any direct rights or remedies of the Pledgor against the Bank that would not exist in the absence of this Agreement, or alter, modify, or supersede any agreement executed between the Pledgor and the Secured Party or the Secured Party and the Bank, except as is expressly provided herein; and

WHEREAS, the Securities Intermediary has no responsibility to the Secured Party in respect to the validity or perfection of such security interest otherwise than to act in accordance with the terms and conditions of this Agreement;

**NOW, THEREFORE, the parties hereto agree as follows:**

- Section 1. *Establishment of Account.* The Securities Intermediary confirms that:
- (i) The Securities Intermediary has established the Account described by account number on page one of this Agreement, and the Account is a “securities account” as defined in Section 8-501(a) of the UCC;
  - (ii) The Securities Intermediary is acting as a “securities intermediary” (as defined in Section 8-102(a)(14) of the UCC) in respect of the Account;
  - (iii) The Securities Intermediary will treat the Pledgor and/or the Secured Party, subject to the terms of this Agreement, as entitled to exercise the rights that comprise all financial assets from time to time credited to the Account; and
  - (iv) All financial assets (except cash) credited to the Account will be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Account be registered in the name of the Pledgor, payable to the order of the Pledgor or specially indorsed to the Pledgor unless such financial asset has been further indorsed to the Securities Intermediary or in blank.
- Section 2. *“Financial Assets” Election.* The parties hereto agree that each item of property (whether investment property, financial asset, security, instrument, cash or other property) credited to the Account will be treated as a “financial asset” within the meaning of Sections 8-102(a)(9) and 8-103 of the UCC.
- Section 3. *Entitlement Orders.* The Securities Intermediary agrees to comply with any “entitlement order” (as defined in Section 8-102(a)(8) of the UCC) originated by the Secured Party and relating to the Account or any financial asset credited thereto without further consent by the Pledgor or any other person. The Pledgor consents to the foregoing agreement by the Securities Intermediary.
- Section 4. *Waiver of Lien; Waiver of Set-off.* The Securities Intermediary waives any security interest, lien or right to make deductions or setoffs that it may now have or hereafter acquire in or with respect to the Account, any financial asset credited thereto or any security entitlement in respect thereof. Neither the financial assets credited to the Account nor the security entitlements in respect thereof will be subject to deduction, set-off, banker’s lien, or any other right in favor of any person other than the Secured Party.
- Section 5. *Definitions; Choice of Law.* All references herein to the “UCC” refer to the Uniform Commercial Code as in effect from time to time in the State of New York. Terms defined in the UCC have the same meanings when used herein. All matters relating to this Agreement shall be construed in accordance with and governed by the laws of the State of New York. The State of New York shall be deemed to be the Securities Intermediary’s jurisdiction for purposes of the UCC (including, without limitation, Section 8-110 thereof).
- Section 6. *Other Agreements.* Except as specifically provided herein, the provisions of this Agreement shall not modify, alter, or supersede the terms of any other agreement executed between the Bank and the Secured Party or the Customer and the Secured Party, and shall not give the Customer any direct rights or remedies against the Bank that would not arise if this Agreement were not in existence. Notwithstanding anything herein to the contrary, it is understood and agreed that the indemnification provisions provided in the Custody Agreement shall be applicable to this Agreement with respect to the Bank and the Secured Party, and all actions taken by the Bank pursuant to this Agreement (including the entering into this Agreement) shall be deemed to be taken pursuant to “Instructions” as such term is defined in the Custody Agreement. For the avoidance of doubt, Pledgor is not a party to the Custody Agreement or the Services Agreement and the indemnification provisions provided therein are not applicable to, or binding on, Pledgor.
- Section 7. *Amendments.* No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all the parties hereto.

Section 8. *Notice of Adverse Claims.* Except for the claims and interests of the Secured Party and the Pledgor, the Securities Intermediary does not know of any claim to, or interest in, the Account, any financial asset credited thereto or any security entitlement in respect thereof. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, attachment, execution or similar process) against the Account, any financial asset credited thereto or any security entitlement in respect thereof, the Securities Intermediary will promptly notify the Secured Party and the Pledgor thereof.

Until the Securities Intermediary receives an entitlement order or approval from the Secured Party, the Securities Intermediary will not permit the Pledgor to withdraw or deliver any financial assets from the Account including, but not limited to, cash distributions received in regard to financial assets.

Section 9. *Withdrawals and Deliveries.* Until such time as the Bank receives a written Notice of Exclusive Control, in the form attached hereto, and has had a reasonable opportunity to comply, the Pledgor may withdraw or deliver financial assets from the Account, including, but not limited to, cash distributions received in regard to financial assets, but only with the consent of the Secured Party. After such time, it shall have no such right of withdrawal or delivery.

Section 10. *Representations, Warranties and Covenants of the Securities Intermediary.* The Securities Intermediary makes the following representations, warranties and covenants:

- (i) The Account has been established as set forth in Section 1 above and will be maintained in the manner set forth herein until this Agreement is terminated. The Securities Intermediary will not change the name or account number of the Account without the prior written consent of the Secured Party;
- (ii) This Agreement is a valid and binding agreement of the Securities Intermediary enforceable in accordance with its terms; and
- (iii) Except with regard to the custodial services agreement between the Securities Intermediary as provided in Section 6 of this Agreement, the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any person (other than the Secured Party) relating to the Account and/or any financial asset credited thereto pursuant to which it has agreed, or will agree, to comply with entitlement orders of such person. The Securities Intermediary has not entered into any other agreement with the Pledgor or the Secured Party purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as agreed in Section 3 hereof.

Section 11. *Successors.* This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 12. *Notices.* Each notice, request or other communication given to any party hereunder shall be in writing (which term includes facsimile or other electronic transmission as the Securities Intermediary reasonably determines with notice to the Secured Party and the Pledgor and subject to such security procedures or requirements as the Securities Intermediary shall specify) and, as applicable, shall be effective (i) when delivered to such party at its address specified below, (ii) when sent to such party by facsimile or other electronic transmission acceptable to the Securities Intermediary followed with a notice in writing sent in accordance with (iii) or (iv), or (iii) ten days after being sent to such party by certified or registered United States mail, addressed to it at its address specified below, with first class or airmail postage prepaid, or (iv) on the day following a written notice sent by a nationally recognized overnight carrier with all fees prepaid:

**Pledgor:**

Facsimile: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Secured Party: Federal Home Loan Bank of New York**

Facsimile: (800) 909-3111  
 Address: 101 Park Avenue, 7<sup>th</sup> Floor  
New York, NY 10178-0599  
Attn: Custody and Pledging Services  
With a copy to General Counsel

**Securities Intermediary: Citibank, N.A.**

Facsimile: (212) 723-8426  
 Address: 390 Greenwich Street  
New York, NY 10013  
Attn: Eileen Clark

Any party may change its address and/or facsimile number for purposes of this Section by giving notice of such change to the other parties in the manner specified above. Only the Securities Intermediary may specify any change in electronic transmission methods.

Section 13. *Termination.* This Agreement shall remain in effect as long as the Pledgor remains a customer of the Secured Party, and the Custody Agreement, the Advances, Collateral Pledge and Security Agreement (ACPSA) and Correspondent Services Agreement (CSA) (as such may be amended, modified, or supplemented from time to time) remain in effect.

If the Secured Party notifies the Securities Intermediary that its security interest in the Account or all of the financial assets therein has terminated, this Agreement will terminate immediately.

Section 14. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by authenticating and delivering or transmitting one or more counterparts

**SIGNATURES**

**PLEDGOR:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FEDERAL HOME LOAN BANK OF NEW YORK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITIBANK, N.A., NEW YORK OFFICES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**

[Letterhead of Secured Party, Federal Home Loan Bank of New York]

[Date]

Citibank, N.A.

Attention: \_\_\_\_\_

[Address]

Re: Notice of Exclusive Control

Ladies and Gentlemen:

As referenced in the Securities Account Control Agreement dated as of \_\_\_\_\_, 20\_\_ among [Pledgor] , us and you (a copy of which is attached), we notify you that we will hereafter exercise exclusive control over securities account number \_\_\_\_\_ (the "**Account**"), all financial assets from time to time credited thereto and all security entitlements in respect thereof. You are instructed not to accept any directions, instructions or entitlement orders with respect to the Account or the financial assets credited thereto from any person other than the undersigned unless otherwise ordered by a court of competent jurisdiction.

Very truly yours,

Federal Home Loan Bank of New York

By: \_\_\_\_\_  
Name:  
Title: