

National Credit Union Central Liquidity Facility
“Credit Union System Investment Program”
Subscription Application and Commitment Form

[*Name of NPCU, charter #*] (“Applicant”) hereby applies through [*name of corporate*], an Agent Member of the National Credit Union Central Liquidity Facility (“CLF”), for an advance of funds under the Credit Union System Investment Program (“CU SIP”) in the aggregate maximum amount of \$_____, subject to the following terms, representations and commitments:

1. CLF Membership. Applicant is a natural person credit union that either: (a) is a Regular Member of the CLF; (b) is a member of a corporate credit union that is an Agent Member of the CLF; or (c) is represented by a corporate credit union that is an Agent Member of the CLF.
2. Minimum Net Worth. Applicant has a current net worth ratio of at least six percent (6%) after adjustment to reflect the amount of the requested CLF advance.
3. Amount of Advance. Applicant acknowledges that the CLF has sole discretion to award all or a part of the requested amount of a CU SIP advance, and agrees to accept under these terms, representations and commitments whatever amount the CLF decides to award. Applicant further acknowledges that the CLF has sole discretion to decline to award a SIP advance on creditworthiness grounds.
4. Term. A SIP advance will have a term of one year.
5. Payment of Interest. Applicant shall pay interest on a CU SIP advance semi-annually to the CLF at a fixed rate equal to the greater of either the Primary Credit Rate at a Federal Reserve Bank discount window or the rate on a comparable maturity U.S. Treasury security, plus 12.5 basis points (“the CLF advance rate”).
6. Collateral. Applicant agrees to secure its CU SIP advance with eligible collateral having a minimum aggregate net book value of *twice* the amount of the aggregate CU SIP advance. Fifty percent (50%) of such collateral must consist of a pledge of the Applicant’s interest in the “Credit Union System Investment Program Notes” (“CU SIP Notes”) purchased (as provided below) with the proceeds of the CU SIP advance. The other fifty percent (50%) of such collateral must consist of other assets of the Applicant. The Applicant must provide its Agent Member with a perfected first priority security interest in the eligible collateral. Collateral may be substituted during the term of the advance at the discretion of the CLF. A CU SIP advance will not be subject to margin calls.

7. Proceeds of Advance(s). The Applicant agrees and commits that the proceeds of its CU SIP advance will be invested on its behalf solely in CU SIP Notes issued by corporate credit unions that are Agent Members of the CLF participating in CU SIP (“participating CCU”). A CU SIP Note is 1-year senior debt of a participating CCU yielding a fixed-rate equal to the CLF advance rate plus 25 basis points. The CLF shall have sole discretion to designate which participating CCU’s CU SIP Notes, and in what amount, the Applicant shall invest the proceeds of its SIP advance. Regardless of the issuer, CU SIP Notes are guaranteed by the National Credit Union Share Insurance Fund under the Temporary Corporate Credit Union Liquidity Guarantee Program.

8. Acknowledgement. The Applicant acknowledges that it has read and understands the requirements addressed in the attached CU SIP Term Sheet (“Attachment 1” hereto).

Submitted by [name of NPCU] on December __, 2008, subject to the above terms, representations and commitments:

By: _____ date: _____
Name:
Title: President and CEO

Accepted by [name of Agent Member CCU]:

By: _____ date: _____
Name:
Title: