

(ECIP Credit Unions
Subordinated Debt)

UNITED STATES DEPARTMENT OF THE TREASURY
1500 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20220

Dear Ladies and Gentlemen:

The credit union set forth on the signature page hereto (the “*Credit Union*”) intends to issue in a private placement the subordinated debentures set forth on Schedule A hereto (the “*Subordinated Debt*”) and the United States Department of the Treasury (the “*Investor*”) intends to purchase from the Credit Union the Subordinated Debt, pursuant to the Emergency Capital Investment Program.

The purpose of this letter agreement is to confirm the terms and conditions of the purchase by the Investor of the Subordinated Debt. Except to the extent supplemented or superseded by the terms set forth herein or in the Schedules hereto, the provisions contained in the Securities Purchase Agreement – Standard Terms attached hereto as Exhibit A (the “*Securities Purchase Agreement*”) are incorporated by reference herein. Terms that are defined in the Securities Purchase Agreement are used in this letter agreement as so defined. In the event of any inconsistency between this letter agreement and the Securities Purchase Agreement, the terms of this letter agreement shall govern.

Each of the Credit Union and the Investor hereby confirms its agreement with the other party with respect to the issuance by the Credit Union of the Subordinated Debt and the purchase by the Investor of the Subordinated Debt pursuant to this letter agreement and the Securities Purchase Agreement on the terms specified on Schedule A hereto.

This letter agreement (including the Schedules hereto), the Securities Purchase Agreement (including the Annexes thereto) and the Disclosure Schedules (as defined in the Securities Purchase Agreement) constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof. This letter agreement constitutes the “Letter Agreement” referred to in the Securities Purchase Agreement.

This letter agreement may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. In addition, this letter agreement may be executed by electronic signature in accordance with the E-SIGN Act of 2000. Executed signature pages to this letter agreement may be delivered by facsimile or electronic mail (including pdf) and such facsimiles or electronic copies will be deemed as sufficient as if actual signature pages had been delivered.

* * *

Paperwork Reduction Act Notice.
OMB Approval No. 1505-0267
Expiration Date: June 30, 2022

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 8 hours for the letter agreement. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

In witness whereof, this letter agreement has been duly executed and delivered by the duly authorized representatives of the parties hereto as of the date written below.

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name:
Title:

CREDIT UNION: _____

By: _____
Name:
Title:

Date: _____

EXHIBIT A

SECURITIES PURCHASE AGREEMENT

SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS

Credit Union Information:

Name of the Credit Union:

Corporate or other organizational form of Credit Union:

Jurisdiction of Organization of Credit Union:

Appropriate Supervisory Authority of Credit Union:

Notice Information:

Terms of the Purchase:

Original Aggregate Principal Amount of Subordinated Debt in the form of Annex A Purchased: \$_____

Purchase Price: \$_____

Denomination Amount: \$1,000.00

Maximum Aggregate Principal Amount Not to exceed [7.5 percent][15 percent][22.5 percent] of the Credit Union's Total Assets.¹

Maturity: [15][30] years

¹ The general investment limit per Credit Union is \$250,000,000. In addition, the following limitations apply to the aggregate principal amount of Subordinated Securities a Credit Union may issue, based on a Credit Union's Total Assets (defined as the total consolidated assets as reported on the Credit Union's most recent Call Report Form 5300 submitted to the National Credit Union Administration ("NCUA")):

- **Credit Unions with more than \$2 billion in Total Assets:** the aggregate principal amount of Subordinated Securities issued may not exceed 7.5% of Total Assets;
- **Credit Unions with at least \$500 million and not more than \$2 billion in Total Assets:** the aggregate principal amount of Subordinated Securities issued may not exceed 15% of Total Assets; and
- **Credit Unions with less than \$500 million in Total Assets:** the aggregate principal amount of Subordinated Securities issued may not exceed 22.5% of Total Assets.

FOR REFERENCE ONLY – NOT FOR EXECUTION – UPDATED 3.25.2022

Ranking (for low-income designated credit unions):

As Grandfathered Secondary Capital, subordinate to all other claims, including those of shareholders, creditors and the National Credit Union Share Insurance Fund. In the event of the involuntary liquidation of the Credit Union, the Subordinated Debt will be subject to the payout priority for Grandfathered Secondary Capital as set forth in 12 C.F.R. § 709.5(b)(8) (or any successor provision).

Ranking (for other credit unions):

Subordinate to all other claims, including those of shareholders, creditors and the National Credit Union Insurance Fund. The holder of the Subordinated Debt will agree to be subject to the same payout priority as set forth in 12 C.F.R. § 709.5(b)(8) (or any successor provision) for Grandfathered Secondary Capital, as though the Subordinated Debt were Grandfathered Secondary Capital, and will expressly waive any right to a higher payout priority, including, without limitation, the priority set forth in 12 C.F.R. § 709.5(b)(5) (or any successor provision).

Interest Rate:

No interest accrues, nor will any interest be due for the first 24 months following the Closing Date. Interest will begin to accrue on the two-year anniversary of the Closing Date. The first quarterly payment will be due on the first interest payment date after that date. From the two-year anniversary of the Closing Date, interest payments will reflect the Credit Union's Qualified Lending compared to the Baseline in accordance with the terms of the Securities Purchase Agreement.

Interest Payment Dates:

Quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year.

Restriction on Acceleration:

Principal and interest may only become immediately due and payable (*i.e.*, accelerated) upon the occurrence of an Event of Default. In addition, upon the occurrence of an Event of Default, the (i) accrual of interest after commencement of the Event of Default, and (ii) the payment of principal and interest, will be determined accordance with 12 U.S.C. § 1787 (or any successor provision) and the NCUA's regulations in 12 C.F.R. Part 709 (or any successor provision).

Securities Law Exemption for Subordinated Debt:

Please select appropriate exemption by checking the box:

Section 3(a)(5) exemption:

Section 4(a)(2) exemption:

Closing (by electronic exchange of documents):

Time of Closing:

Date of Closing:

Wire Information for Closing:

ABA Number:

Bank:

Account Name:

Account Number:

Beneficiary:

Contact for Confirmation of Wire Information:²

Address for Delivery of Subordinated Debt:

[Address]

[Address]

[Address]

Attention: [•]

Email tracking number for such mailing to: [•]

² Include the name, title and contact information (telephone number and email address). The contact must be a person different from the officer executing the Letter Agreement.

SCHEDULE B

CAPITALIZATION

Capitalization Date:

Capital Interests

Type of Interest (Member Shares, etc.):

Par Value:

Total Authorized:

Outstanding (aggregate dollar amount of Member Shares as of Capitalization Date):

Reserved for Issuance upon Conversion, Exercise or Exchange of Securities:

Remaining Authorized but Unissued:

Subordinated Debt:

Type:

Existing Parity Subordinated Debt:

Amount Outstanding:

Amount Qualifying as Grandfathered Secondary Capital:

Holder of 5% or more of Other Capital Instruments

Primary Address

Potential Sales

Describe any commitments to authorize, issue or sell Capital Interests:

If none, please so indicate by checking the box: .

SCHEDULE C

MATERIAL ADVERSE EFFECT

List any exceptions to the representation and warranty in Section 3.1(g) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

SCHEDULE D

LITIGATION

List any exceptions to the representation and warranty in Section 3.1(l) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

SCHEDULE E

COMPLIANCE WITH LAWS

List any exceptions to the representation and warranty in the second sentence of Section 3.1(m) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

List any exceptions to the representation and warranty in the last sentence of Section 3.1(m) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

SCHEDULE F

REGULATORY AGREEMENTS

List any exceptions to the representation and warranty in Section 3.1(s) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

SCHEDULE G

RELATED PARTY TRANSACTIONS

List any exceptions to the representation and warranty in Section 3.1(x) of the Securities Purchase Agreement – Standard Terms.

If none, please so indicate by checking the box:

SCHEDULE H

OTHER EXCEPTIONS

List any exceptions to the representations and warranties in the Securities Purchase Agreement – Standard Terms not covered in Schedules C through G above and, for each listed exception, identify the applicable representation and warranty in Section 3.1 by the applicable subsection.

If none, please so indicate by checking the box: