§ 960.4 Obligation to Bank under all standby letters of credit.

(a) Obligation to reimburse. A Bank may issue or confirm a standby letter of credit only on behalf of a member or housing associate that has:

(1) Established with the Bank a cash account pursuant to §§950.17(b)(2)(i)(B), 950.17(d), or 960.2 of this chapter.

(2) Assumed an unconditional obligation to reimburse the Bank for value given by the Bank to the beneficiary under the terms of the standby letter of credit by depositing immediately

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