Date: [Insert Date]

To:
[Counterparty Name]
[Counterparty Address]
[City, State, Zip Code]

From:
[Your Institution Name]
[Your Department]
[Your Address]

Subject: Counterparty Credit Risk Mitigation Agreement

Dear [Contact Name],

This letter sets forth the agreement between [Your Institution Name] ("Institution") and [Counterparty Name] ("Counterparty") regarding the mitigation of credit risk associated with our ongoing financial transactions and exposures.

To manage and reduce potential counterparty credit risk, both parties agree to the following mitigation terms:

1. Collateral Requirements: The Counterparty agrees to post collateral in the form of [Cash/Government Securities/Other] to cover net exposure exceeding the threshold of [Insert Amount].

2. Netting Arrangements: All outstanding transactions between the parties shall be subject to close-out netting in the event of a default, as governed by the [ISDA Master Agreement/Relevant Framework].

3. Margin Calls: Margin requirements will be calculated on a [Daily/Weekly] basis. Any required variation margin must be transferred within [Number] business days of a margin call.

4. Credit Limits: The maximum aggregate credit exposure permitted for the Counterparty is established at [Insert Limit]. This limit will be reviewed [Quarterly/Annually].

5. Reporting and Monitoring: Both parties agree to exchange financial statements and relevant risk reports on a regular basis to ensure ongoing creditworthiness.

6. Termination: Either party may request a review of these terms should there be a material change in the credit rating or financial standing of either institution.

Please acknowledge your acceptance of these terms by signing and returning a copy of this letter.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title]

Acknowledgment and Acceptance:

For and on behalf of [Counterparty Name]:

Signature: ____________________________

Name: [Name of Authorized Signatory]

Title: [Title]

Date: [Date]