FHLBANK DALLAS

Member driven.
Community focused.

Advances Products Guide

Maximizing Your Membership

Mission Statement

The Federal Home Loan Bank of Dallas is a member-owned financial intermediary with the primary mission of supporting homeownership, affordable housing and community lending through its member institutions.

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Credit Mission

The Federal Home Loan Bank of Dallas (Bank) provides financial products and other services to help members fund housing, small business, small agri-business, and economic and community development loans in their communities. The Bank also supports the expansion of affordable housing opportunities and community revitalization through specialized community investment advances and grant programs. We are committed to offering these products and services in a fair and impartial manner, without discrimination against any member.

For purposes of this Advances Products Guide, the term “member” will be used generally to refer to any of the following entities that do business with the Bank: members, borrowers, customers, Participating Financial Institutions, Community Financial Institutions, Large Financial Institutions, non-member borrowers, or housing associates. In those cases, where a product, service, term or condition applies to any of these entities specifically, they will be referred to individually and appropriately defined.

The Bank is required by regulation to make advances solely on a secured basis. All members are required to maintain sufficient acceptable collateral and capital stock in order to fully secure all advances obligations. Members must meet the Bank’s credit and collateral underwriting criteria at the time an advance is funded, as stated in our current Member Products and Credit Policy (Policy).

Advances Benefits

The Bank’s primary function is to provide its members with a reliable source of secured credit in the form of advances. Advances enhance the financial strength of our members by providing a vehicle to match-fund residential mortgage loans, fund deposit withdrawals, and meet liquidity needs.

By using advances for match-funding purposes, members can reduce the impact of interest-rate volatility. As a result, members can be more competitive as they offer longer-term, fixed-rate loans to their customers. The Bank’s advance maturities range from overnight to 30 years, allowing flexibility in selecting the maturity that best complements a member’s financial strategy. In addition, the Bank provides a commitment plan that permits guaranteed availabilities and rates for future-term borrowings. Advances are offered at fixed or floating rates with specific maturities or with embedded options for early redemption.

The Bank also offers access to Letters of Credit and various economic development programs, as outlined in this guide. The Bank’s member sales officers can help members evaluate the benefits of using these credit programs, such as:

- Competitive pricing
- Full range of maturities (from overnight to 30 years)
- Customized amortization or repayment schedules
- Fixed and floating rates
- Same-day or future-dated funding availability
- Funding alternative to deposits without the associated costs of account servicing, potential deposit insurance premiums, and other administrative costs.
- Interest-rate risk management
- Embedded options

Advances Programs

The essential elements of the Bank's advances programs are presented in the following pages. These descriptions contain information on fees, rates, maturities, and other terms for each type of advance or other extension of credit. Authority to establish and adjust fees, rates, maturities, and other terms of the Bank's advances programs is delegated by the Bank's Board of Directors to the executive management of the Bank. Management may, in its sole and absolute discretion, modify the terms and conditions with respect to any of the credit products offered by the Bank. A copy of our current Member Products and Credit Policy can be obtained by calling Member Services or by visiting our web site at fhlb.com.

Administration of the advances programs will be consistent with the current policy; directives of the Federal Home Loan Bank Act; and the rules and regulations, statements of policy, and guidelines of the Federal Housing Finance Agency.

If the advances structure you require is not identified in this product guide, call Member Services at 844.FHLBank (844.345.2265) to discuss a customized advance designed to meet your needs.

Pricing

Interest rates on advances are adjusted from time to time to reflect current developments in the capital markets. Pricing criteria and standards are referenced in the Policy.

Information on advances rates can be obtained by calling Member Services at 844.FHLBank (844.345.2265) or on SecureConnect — the Bank's virtual private network.

Commitment Fees

Fees may be assessed on a rate, dollar, and/or term commitment at the Bank's discretion under 12 C.F.R. 1266.6, which is referenced in the Policy.

Examples

All advances product examples in this document are provided for illustrative purposes only and are not meant to indicate their applicability to any individual situation.

Types of Advances

Fixed-Rate Advances – Short Term

Type	Term	Interest Rate	Interest/Day Count	Availability
Overnight Advance (O/N)	Overnight	Priced based on the Bank's discount note market	Actual/360	• Member should transact advance by telephone or SecureConnect by 10:00 a.m. CT for best rate • >$5 million must be transacted by 1:00 p.m. CT. After 1:00 p.m. CT, please contact Member Services • <$5 million must be transacted by 4:00 p.m. CT
Whole Loan Advance (WLA)	2 days to 35 days	Priced based on the Bank's discount note market	Actual/360	• Member should transact advance by telephone or SecureConnect by 10:00 a.m. CT for best rate • >$5 million must be transacted by 1:00 p.m. CT. After 1:00 p.m. CT, please contact Member Services • <$5 million must be transacted by 4:00 p.m. CT

Wire Deadlines

- Outgoing: 4:00 p.m. CT
- Incoming: 4:00 p.m. CT. Incoming wires received after 4:00 p.m. CT are assessed a late fee
- Please refer to the Correspondent Services Guide for information on late wire fees

Fixed-Rate Advances – Long Term

Type	Term	Interest Rate	Interest/Day Count	Availability
Fixed-Rate/ Fixed-Term Principal at Maturity (Bullet)	31 days to 20 years	Fixed for term of advance and based on the Bank's cost of funds	One year or less: Actual/360 Greater than one year: 30/360	• Member should transact advance by telephone or SecureConnect • >$5 million must be transacted by 1:00 p.m. CT • <$5 million must be transacted by 4:00 p.m. CT
Principal and Interest (P&I), Amortizing	1 to 20 years Can be structured to match amortization schedules up to 30 years	Fixed for term of advance and based on the Bank's cost of funds Prepayment options are available to be added to the advance	30/360	• Member should transact advance by telephone or SecureConnect • >$5 million must be transacted by 1:00 p.m. CT • <$5 million must be transacted by 4:00 p.m. CT

Note: Additional terms and conditions are available for qualifying CIP and EDP projects. Please refer to those sections of this guide for information.

Wire Deadlines

- Outgoing: 4:00 p.m. CT
- Incoming: 4:00 p.m. CT. Incoming wires received after 4:00 p.m. CT are assessed a late fee
- Please refer to the Correspondent Services Guide for information on late wire fees

Advances with Optionality

Type	Term	Interest Rate	Interest/Day Count	Availability and Features
Short-Term FHLB Owns the Option (FOTO) Advance (Putable Advance)	1 month, not to exceed the last business day of the current calendar month	Based on the Bank's cost of funds Fixed rate for the duration of the advance	Actual/360	• Member should transact advance by telephone by 10:00 a.m. CT for best execution • The Bank has daily put options until maturity • Member is provided one business day notice
FHLB Owns the Option (FOTO) Advance (Putable Advances)	2 to 15 years with various lockouts	Based on the Bank's cost of funds Fixed rate for the duration of the advance	Actual/360	• Member should transact advance by telephone by 3:30 p.m. CT for best execution • After the lockout period, the Bank has quarterly put options until maturity • Member is provided two business day notice if option is exercised
Callable Advances (Member Owns the Option / MOTO Advance)	2 to 10 years with various lockouts	Based on the Bank's cost of funds Fixed rate for the duration of the advance	Actual/360	• Member should transact advance by telephone by 3:30 p.m. CT for best execution • After the lockout period, Member has quarterly put options until maturity • Member should provide at least eight business day notice to the Bank if option is exercised

Wire Deadlines

- Outgoing: 4:00 p.m. CT
- Incoming: 4:00 p.m. CT. Incoming wires received after 4:00 p.m. CT are assessed a late fee
- Please refer to the Correspondent Services Guide for information on late wire fees

Floating-Rate Advances

Type	Term	Interest Rate	Interest/Day Count	Availability
Maximizer (MAX)	Overnight to 30 days	Priced daily based on the Bank's discount note market Rate is adjusted daily Interest is collected daily	Actual/360	• Member should transact advance through SecureConnect by 10:00 a.m. CT
SOFR Non-Amortizing Floating Rate	1 week to 5 years	Determined by adding appropriate spread to the reference rate Reference Rate - SOFR rate published on the current day (Published SOFR rate is a day behind). Rate Freeze begins 2 business days before an interest payment date or maturity date and ends on but excludes the corresponding interest payment date or maturity date The reference rate during a Rate Freeze will be the SOFR rate published 2 business days before an interest payment date or maturity date See MPCP for Prepayment Fee Policy	Actual/360	• Member should transact advance by telephone • >$5 million must be transacted by 1:00 p.m. CT • <$5 million must be transacted by 4:00 p.m. CT
Callable SOFR Non-Amortizing Floating Rate	6 months to 5 years	Determined by adding appropriate spread to the reference rate Reference Rate - SOFR rate published on the current day (Published SOFR rate is a day behind). Rate Freeze begins 2 business days before an interest payment date or maturity date and ends on but excludes the corresponding interest payment date or maturity date The reference rate during a Rate Freeze will be the SOFR rate published 2 business days before an interest payment date or maturity date See MPCP for Prepayment Fee Policy	Actual/360	• Member should transact advance by telephone • >$5 million must be transacted by 1:00 p.m. CT • <$5 million must be transacted by 4:00 p.m. CT

Note: Additional terms and conditions are available for qualifying CIP and EDP projects. Please refer to those sections of this guide for information.

Wire Deadlines

- Outgoing: 4:00 p.m. CT
- Incoming: 4:00 p.m. CT. Incoming wires received after 4:00 p.m. CT are assessed a late fee
- Please refer to the Correspondent Services Guide for information on late wire fees

Fixed-Rate Advances – Short Term

Overnight Advance (O/N)
Fixed-Rate, Overnight

The Overnight Advance (O/N) is a competitive short-term source of liquidity that may be secured with any eligible collateral under the Bank's collateral policies, including blanket lien for eligible institutions. Payment of principal and interest is debited from your DDA.

Uses

- Obtain lower rates on short-term liabilities
- Accommodate seasonal cash flow needs
- Alternative to purchasing fed funds
- Liquidity management.

Advantages

- Quick funding through SecureConnect or by telephone
- Very competitive rate
- All activity is transacted through your DDA

Terms & Conditions

Terms
Overnight

Availability of Funds
Funding requests must be executed via SecureConnect or by telephone:

- Requests made before 10:00 a.m. CT are funded at the initial posted rate.
- Requests made after 10:00 a.m. CT have 5 bps added to the initial posted rate.
- Requests made after 1:00 p.m. CT have 10 bps added to the initial posted rate.

Requests to wire funds from your DDA will be accepted as follows:

- An O/N in excess of $5 million should be transacted by 1:00 p.m. CT.
- An O/N for less than $5 million should be transacted by 4:00 p.m. CT.

The maximum allowable amount of an O/N advance is limited to the members' unused borrowing capacity. Requests for funds to be deposited overnight at the Bank or rollovers of maturing advances will be accepted until 4:00 p.m. CT.

Auto Roll Feature

Members can use the auto roll feature to roll their overnight advance for a maximum term of their choice not exceeding the end of the then current month and subject to a running maximum daily simple weighted average advance rate. The advance will not be rolled if the daily weighted average advance rate from inception exceeds the weighted average advance rate cap set by the member or if it reaches the roll end date specified by the member. Additionally, the member can call before 3:00 p.m. CT on any day the advance is outstanding and cancel the auto roll for the remainder of the term starting the following business day. The auto roll feature is subject to a $50 million minimum advance amount and no partial rolls are allowed.

Every advance that is rolled will be bound by existing collateral and capital requirements. If there is a collateral shortage or a capital shortage which is not cured by 10:00 a.m. CT, then the auto roll feature will be cancelled by the Bank for the remainder of the term.

Interest Rate
Fixed: priced daily based on the prevailing discount note market.

To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal and Interest Payments
Principal and interest collected at maturity

Discount Note Advance (DNA)
Fixed-Rate, Short-Term

The Discount Note Advance (DNA) is an attractive short-term source of quick liquidity that may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Payment of principal and interest is debited from your DDA.

Uses
- Obtain lower rates on short-term liabilities
- Accommodate seasonal cash flow needs
- Alternative to purchasing fed funds
- Liquidity management.

Advantages
- Quick funding through SecureConnect or by telephone
- Very competitive rate
- All activity is transacted through your DDA

Terms & Conditions

Terms
7-, 14-, 21- and 28-day terms are available.

Availability of Funds
Funding requests must be executed via SecureConnect or by telephone:
- Requests made before 10:00 a.m. CT are funded at the initial posted rate.
- Requests made after 10:00 a.m. CT have 5 bps added to the initial posted rate.
- Requests made after 1:00 p.m. CT have 10 bps added to the initial posted rate.

Requests to wire funds from your DDA for a DNA transaction will be accepted as follows:
- A DNA in excess of $5 million should be transacted by 1:00 p.m. CT.
- A DNA for less than $5 million should be transacted by 4:00 p.m. CT.

The maximum allowable amount of a DNA advance is limited to the members' unused borrowing capacity. Requests for funds to be deposited overnight at the Bank or rollovers of maturing advances will be accepted until 4:00 p.m. CT.

Interest Rate
The interest rate will be fixed for the term of the advance based on the prevailing discount note market. To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal and Interest Payments
Principal and interest collected at maturity.

Whole Loan Advance (WLA)
Fixed-Rate, Short-Term

The Whole Loan Advance (WLA) is an attractive, short-term source of liquidity that does not require the delivery of specific types of collateral to the Bank. The WLA Advance may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Payment of principal and interest is debited from the member's DDA.

Uses

- Obtain lower rates on short-term liabilities
- Accommodate seasonal cash flow needs
- Alternative to purchasing fed funds
- Liquidity management

Advantages

- Quick funding through SecureConnect or by telephone
- Very competitive rate
- All activity is transacted through your DDA
- Flexible terms

Terms & Conditions

Terms
Maturities from 2 to 35 days with rates quoted on a daily basis.

Availability of Funds
Funding requests must be executed via SecureConnect or by telephone:

- Requests made before 10:00 a.m. CT are funded at the initial posted rate
- Funding requests made after 10:00 a.m. CT have 5 bps added to the initial posted rate.
- Funding requests made after 1:00 p.m. CT have 10 bps added to the initial posted rate.

Requests to wire funds from your DDA for a WLA transaction will be accepted as follows:

- A WLA in excess of $5 million should be transacted by 1:00 p.m. CT.
- A WLA for less than $5 million should be transacted by 4:00 p.m. CT.

The maximum allowable amount of a WLA advance is limited to the members' unused borrowing capacity. Requests for funds to be deposited overnight at the Bank or rollovers of maturing advances will be accepted until 4:00 p.m. CT.

Interest Rate
The interest rates offered are priced daily based on the prevailing fed funds or discount note market, depending on the term selected. To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal & Interest Payments
Principal and interest are collected at maturity.

Fixed-Rate Advances – Long-Term

Fixed-Rate, Fixed-Term
Principal at Maturity – "Bullet"
Non-Amortizing

The "Bullet" Advance provides the member with an attractively priced, non-amortizing source of funds. Bullet Advances may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Payment of principal and interest is debited from your DDA.

Uses

- Manage asset/liability and interest rate risk
- Provide funding for the origination or purchase of fixed-rate loans or investment securities
- Fund construction loans
- Provide temporary funding for mortgage originations that are intended for sale
- Interest rate risk management.

Advantages

- Control marginal cost of deposits
- Provide a dependable source of funds
- All activity is transacted through your DDA

Terms & Conditions

Terms
Terms of up to 20 years are available.

Availability of Funds
Funding requests will be accepted via SecureConnect or by telephone.
Requests to wire funds from your DDA will be accepted as follows:

- Requests for advances in excess of $5 million should be transacted by 1:00 p.m. CT.
- Requests for advances of less than $5 million should be transacted by 4:00 p.m. CT.

Requests for funds to be deposited overnight at the Bank or rollovers of maturing advances will be accepted until 4:00 p.m. CT.

Commitment Fee
None, unless guaranteeing a rate for future funding. (See "Member Products and Credit Policy.")

Interest Rate
The rate will be fixed for the term of the advance based on the Bank's cost of funds for comparable maturities. To obtain pricing, please contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Short-term (1 year or less): Actual/360
Long-term (greater than 1 year): 30/360

Principal & Interest Payments
Interest is due monthly, with principal and the remaining accrued interest due at maturity.

Interest payments are debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. New York Banking Days are used.

Prepayment
Members have the option to extend the maturity of an existing FRFT advance by embedding the prepayment fee into the rate of a new advance. A new advance taking advantage of this feature is subject to a $25 million minimum advance amount. See MPCP for prepayment policy.

Principal & Interest – "P&I" Amortizing

The Fixed-Rate, Principal and Interest (P&I) Amortizing Advance is an attractively priced advance structured very much like the typical amortizing mortgage loan. The Fixed-Rate, Principal and Interest Amortizing Advance may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Payment of principal and interest is debited from your DDA.

Uses

- Fund mortgage loan portfolios
- Match-fund long-term assets
- Fund residential, commercial, and consumer loans

Advantages

- Unique access to long-term funds
- Ability to compete for business relationships by offering long-term funding alternatives
- Advances can be customized to meet your needs
- All activity is transacted through your DDA

Terms & Conditions

Terms

Terms of 1 to 20-year final maturities are available. The advance can be structured to match a variety of fixed-rate mortgage amortization schedules (e.g., 30-year amortization with a 20-year balloon maturity).

Availability of Funds

Funding requests will be accepted via SecureConnect or by telephone.

Requests to wire funds from your DDA will be accepted as follows:

- Requests for advances in excess of $5 million should be transacted by 1:00 p.m. CT.
- Requests for advances of less than $5 million should be transacted by 4:00 p.m. CT.

Requests for funds to be deposited overnight at the Bank or rollovers of maturing advances will be accepted until 4:00 p.m. CT.

Commitment Fee

None, unless you wish to guarantee a rate for future funding. (See "Member Products and Credit Policy.")

Interest Rate

The rate will be fixed for the term of the advance. To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count

30/360

Principal & Interest Payments

Interest payments and scheduled principal payments are debited monthly on the first business day of the month for the amount accrued though the last day of the previous month. New York Banking Days are used.

Prepayment

A prepayment option is available, allowing the member to prepay either partially or in full at any time after 5 years from inception without being charged a fee. The prepayment option and pricing is fully described in the Member Products and Credit Policy. Standard prepayment guidelines apply during the first five years of the term.

Advances with Optionality

Short-Term FHLB Owns the Option (FOTO) Advances
Non-Amortizing

The Short-Term FOTO Advance is an advance that provides an attractive fixed-rate below a like maturity non-callable fixed rate advance. With the Short-Term FOTO, the member sells the Bank a series of options to put (terminate) the advance prior to maturity on a daily basis before advance maturity, at the Bank's discretion. If the Bank exercises the put option, replacement funding will be offered to the member at the then-prevailing interest rate and subject to credit guidelines. Payment of principal and interest is debited from your DDA.

Uses

- Low-cost funding alternative in volatile markets.

Advantages

- Attractively priced source of funding
- Same-day funding
- All activity is transacted through your DDA.

Terms & Conditions

Terms
1 Month, not to exceed the last business day of the current calendar month

Minimum Transaction
$5 million per member

Maximum Transaction
$3 billion per member

Interest Rate
Fixed for the duration of the advance (until maturity or until "put" option is exercised)

Option
FHLB owns the put option and will provide one business day notice to the member if option is exercised (i.e., the option to terminate the advance at predetermined exercise dates)

Interest/Day Count
Actual/360

Principal and Interest Payments
Interest is due monthly and is debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. Principal and remaining accrued interest is due at maturity. New York Banking Days are used.

Availability of Funds
Short-Term FOTO Advance is available only on the first business day of the month or at the Bank's discretion, and in no event shall exceed the members' unused borrowing capacity.

Requests for Short-Term FOTO Advances should be transacted by 10:00 a.m. CT.

Agreement for FHLB Advance with Optionality
The agreement must be executed and on file prior to execution of a trade. Contact the Member Services desk at 844.FHLBank (844.345.2265) for additional details.

Pricing
Contact the Member Services desk at 844.FHLBank (844.345.2265) for indicative pricing levels.

FHLB Owns the Option (FOTO) Advances
Non-Amortizing

The FOTO Advance provides an attractive fixed rate that is below a like maturity non-callable fixed-rate advance that may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. With the FOTO Advance, the member sells the Bank the option (or a series of options) to put the advance prior to maturity on predetermined option exercise date(s), at the Bank's discretion. If the put option is exercised, replacement funding may be available. Payment of principal and interest is debited from your DDA.

Uses
- Low-cost funding alternative in volatile markets

Advantages
- Attractively priced source of funding
- Same-day funding
- All activity is transacted through your DDA

Terms & Conditions

Terms
Maturities range from 2 to 15 years with various lockouts. After the lockout period, the Bank can put the advance on a quarterly basis until maturity. Call Member Services at 844.FHLBank (844.345.2265) for terms and rate indications.

Minimum Transaction
$5 million.

Maximum Transactions
The member's portfolio of FOTO Advances, excluding Short-Term FOTO Advances, cannot exceed 33% of a member's total Advances outstanding immediately following execution.

Interest Rate
Fixed for the duration of the advance (until maturity or until "put" option is exercised).

Option
FHLB owns the put option and will provide two business day notice to the member if option is exercised (i.e., the option to terminate the advance at predetermined exercise dates).

Interest/Day Count
Actual/360

Principal and Interest Payments
Interest is due monthly and is debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. Principal and remaining accrued interest is due at maturity. New York Banking Days are used.

Availability of Funds
FOTO Advance availability is subject to the Bank's discretion and in no event shall exceed the members' unused borrowing capacity.

Requests for FOTO Advances should be transacted by 3:30 p.m. CT for best execution.

Agreement for FHLB Advance with Optionality
The agreement must be executed and on file prior to execution of a trade. Contact Member Services at

844.FHLBank (844.345.2265) for additional details.

Request for Quote

Request for Quote form must be signed prior to execution of each trade.

Pricing

Contact Member Services at 844.FHLBank (844.345.2265) for indicative pricing levels.

Callable Advance (Member Owns the Option / MOTO Advance)

Non-Amortizing

The Callable Advance provides the member the right, based upon predetermined option exercise dates, to call the advance prior to maturity. In exchange for receiving the right to call the advance on a predetermined call schedule, the member pays a higher fixed rate for the advance relative to an equivalent maturity, non-callable, fixed-rate advance. Callable Advances may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. If the call option is exercised, replacement funding may be available. Payment of principal and interest is debited from your DDA.

Uses

- Manage asset/liability and interest rate risk
- Provide funding for the origination or purchase of fixed-rate loans or investment securities
- Interest rate risk management

Advantages

- Added flexibility in a declining interest rate environment
- Same-day funding
- All activity is transacted through your DDA

Terms & Conditions

Terms

Maturities range from 2 to 10 years with various lockouts available. After the lockout period, the member can call away the advance from the Bank on a quarterly basis until maturity. Call Member Services at 844.FHLBank (844.345.2265) for terms and rate indications.

Minimum Transaction

The minimum transaction amount is $5 million.

Interest Rate

Fixed for the duration of the advance (until maturity or until "call" option is exercised).

Option

Member owns the call option and will provide eight business day notice to the Bank if option is exercised (i.e., the option to terminate the advance at predetermined exercise dates).

Interest/Day Count

Actual/360

Principal and Interest Payments

Interest is due monthly and is debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. Principal and remaining accrued interest is due at maturity. New York Banking Days are used.

Pricing

Contact Member Services at 844.FHLBank (844.345.2265) for indicative pricing levels.

Availability of Funds

Requests for Callable advances should be transacted by 3:30 p.m. CT for best execution.

Floating Rate Advances

SecureConnect Maximizer (MAX)
Overnight - 30 Days

The Maximizer is a competitive short-term source of liquidity that may be secured with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Payment of principal and interest is debited from your Demand Deposit Account (DDA).

Uses

- Obtain lower rates on short-term liabilities
- Accommodate seasonal cash flow needs
- Alternative to purchasing fed funds
- Better manage liquidity

Advantages

- No caps (up to the member's available collateral)
- Quick funding through SecureConnect
- Very competitive rate
- All activity is transacted through your DDA
- Terms up to 30 days

Terms & Conditions

Terms
Fixed: Overnight
Floater: Up to 30 days

Availability of Funds
Funding requests must be executed by the member via SecureConnect. The SecureConnect Maximizer is available until 10:00 a.m. CT.

The maximum allowable amount of a MAX advance is limited to the member's unused borrowing capacity.

Interest Rate
Fixed: overnight, priced daily based on the prevailing discount note market.
Floater: adjusts daily during term, based on the prevailing discount note market.

To obtain pricing contact Member Services at 844.FHL.BANK (844.345.2265).

Interest/Day Count
Actual/360

Principal and Interest Payments
Interest collected daily; principal collect at maturity.

SOFR Advance

Description
The SOFR Advance is a fixed-term, floating rate, non-amortizing advance that is indexed to SOFR, the Secured Overnight Financing Rate that is published each business day by the Federal Reserve Bank of New York and is a measure of the cost of borrowing cash overnight collateralized by Treasury securities. The advance is subject to the Bank's standard credit and collateral policies.

Uses

- Finance loans or investments with similar maturities and repricing characteristics
- Source of short-term liquidity at rates comparable to other short-term liabilities
- Replacement for Floating Rate Advances

Advantages

- Replace costly deposits
- Replace brokered funds
- Locked-in spreads to the SOFR rate

Terms and Conditions

Terms:
Terms range from 1 week to 5 years.

Size
No Minimum

Availability of Funds
Funding requests will be accepted by telephone each business day.

Interest Rate
Actual interest rate on the advance will be determined by adding a spread to the Reference Rate.

Reference Rate – The Federal Reserve Bank of New York publishes the SOFR rate each business day at approximately 8AM. This published rate is used as the Reference Rate for the current day, except during a Rate Freeze Period. Note: The published rate is based on the previous business day's transactions and is listed on the New York Fed website on a row dated with the previous day's date rather than the current date.

During a Rate Freeze Period, the Reference Rate will be the SOFR rate published by the Federal Reserve Bank of New York on the Rate Freeze Date.

Rate Freeze Period: The Rate Freeze Period begins on and includes the Rate Freeze Date and ends on but excludes the corresponding Interest Payment Date or Maturity Date. The Rate Freeze Period may vary based on funding availability and market conditions.

Rate Freeze Date: The day that is (2) Business Days before an Interest Payment Date or Maturity Date.

Interest Day Count
Actual/360

Principal and Interest Payments
Interest payments are due at quarterly intervals based on the settlement date of the advance. Principal and remaining accrued interest are collected at maturity. New York Banking Days are used.

Callable SOFR Advance

Description
The Callable SOFR Advance is a fixed-term, floating rate, non-amortizing advance that is indexed to SOFR, the Secured Overnight Financing Rate that is published each business day by the Federal Reserve Bank of New York and is a measure of the cost of borrowing cash overnight collateralized by Treasury securities. This advance will have maturities up to 5 year terms and will have a call frequency of one time or quarterly without penalties at set dates. The advance is subject to the Bank's standard credit and collateral policies.

Uses
- Finance loans or investments with similar maturities and repricing characteristics
- Source of short-term liquidity at rates comparable to other short-term liabilities
- Replacement for Floating Rate Advances
- Replacement for Bank Term Funding Program (BTFP) loans

Advantages
- Replace costly deposits
- Replace brokered funds
- Locked-in spreads to the SOFR rate

Terms and Conditions

Terms:
- Callable SOFR One-time Option: 6 months to 5 year terms
- Callable SOFR Quarterly Optionality: 9 months to 5 year terms

Size
No Minimum

Availability of Funds
Funding requests will be accepted by telephone each business day.

- SOFR Advance of >$5mm should be executed by 1PM
- SOFR Advance of <$5mm should be executed by 4PM

Interest Rate
Actual interest rate on the advance will be determined by adding a spread to the Reference Rate.

Reference Rate – The Federal Reserve Bank of New York publishes the SOFR rate each business day at approximately 8AM. This published rate is used as the Reference Rate for the current day, except during a Rate Freeze Period. That rate is based on the previous day's transactions and is listed on the New York Fed website as the previous day's rate (published SOFR rate is a day behind).

During a Rate Freeze Period, the Reference Rate will be the SOFR rate published by the Federal Reserve Bank of New York on the Rate Freeze Date.

Rate Freeze Date: The day that is (2) Business Days before an Interest Payment Date or Maturity Date.

Rate Freeze Period: The Rate Freeze Period begins on and includes the Rate Freeze Date and ends on but excludes the corresponding Interest Payment Date or Maturity Date. The Rate Freeze Period may vary based on funding availability and market conditions.

Rates pricing is subject to FHLB Dallas Capital Markets Policy.

Interest Day Count
Actual/360

Principal and Interest Payments
Interest payments are due at quarterly intervals based on the settlement date of the advance. Principal and remaining accrued interest are collected at maturity. New York Banking Days are used.

Prepayments
Prepayments (call options) on quarterly payment dates with 2 business days' notice; standard prepayment fees on non-option dates.

MAC Term Advance

Description
A MAC Term Advance provides members with a floating rate advance that can be indexed to 8-, 13- or 26-week FHLBank discount notes (DNs). Depending on the index chosen, the advance's coupon will reset every 8, 13 or 26 weeks based on the results of the FHLB DN auctions held each Tuesday and Thursday. The advance is subject to the Bank's standard credit and collateral policies.

Uses
- Finance mortgage loan or investment portfolios with similar maturities and repricing characteristics
- Fund adjustable rate mortgages (ARMs) and other interest-rate sensitive assets
- Reduce the repricing risk of funding adjustable rate assets
- Lowest cost, floating rate liability

Advantages
- The advance coupon is determined by one of the FHLBank system's lowest cost liabilities
- Locked-in spreads to the Home Loan Bank Systems DNs issued through the auction

Terms & Conditions

Terms
1- to 10-year terms are available on the 8-week, 13-week or 26-week

Settlement
T+1

Availability of Funds
Funding requests for all sizes will be accepted by telephone each Tuesday and Thursday by 9:30am CT. Funds will be deposited into the members account the following business day. FHLB DN auctions are conducted each Tuesday and Thursday. If a holiday falls on Tuesday or Thursday, FHLB DN auctions are generally held on the preceding business day in which funding requests will be accepted.

Interest Rate
Advance rates will be determined by adding a spread to the appropriate FHLB DN auction's weighted average money market rate (WAMM). The advance rate will reset either every 8, 13 or 26 weeks or the preceding business day if that calendar day falls on a holiday. New York Banking Days are used. In the event that an auction does not occur or discount notes are not issued on any given determination date, the index rate will be the estimated rate at which the Bank could have issued such discount notes as calculated by the Bank in its sole discretion. FHLB DN Auction results are observable by going to http://www.fhlb-of.com/ofweb_userWeb/pageBuilder/debt-securities-21. To obtain pricing please contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal & Interest Payments
Interest payments are debited monthly on the first business day of the month unless otherwise agreed to in writing at the time of borrowing. Principal and remaining accrued interest are collected at maturity. New York Banking Days are used.

Prepayment
Members can prepay a MAC Term advance on any reset date without incurring a prepayment fee with two business days' notice to the Bank.

Members can request a MAC Term advance without the prepayment option. If a MAC Term advance without the

prepayment option is prepaid either on reset dates or between reset dates, the member may incur a prepayment fee. See MPCP for prepayment policy.

MAC Step-up Advance

Description

A MAC Step-up Advance provides members with a floating rate advance with a one-time step-up option that can be indexed to 8-, 13- or 26-week FHLBank discount notes (DNs). Depending on the index chosen, the advance's coupon will reset every 8, 13 or 26 weeks based on the results of the FHLB DN auctions held each Tuesday and Thursday. On the option date, members will have a one-time option to either extend the maturity to a previously agreed upon date or prepay the advance in full with two business days' notice to the Bank. The advance is subject to the Bank's standard credit and collateral policies.

Uses

- Finance mortgage loan or investment portfolios with similar maturities and repricing characteristics
- Fund adjustable rate mortgages (ARMs) and other interest-rate sensitive assets
- Reduce the repricing risk of funding adjustable rate assets
- Lowest cost, floating rate liability

Advantages

- The advance coupon is determined by one of the FHLBank system's lowest cost liabilities
- Locked-in spreads to the Home Loan Bank Systems DNs issued through the auction
- Lower spread on the advance before the option date compared to a similar advance without the option

Terms & Conditions

Terms

1- to 10-year terms are available on the 8-week, 13-week or 26-week

Settlement

T+1

Availability of Funds

Funding requests for all sizes will be accepted by telephone each Tuesday and Thursday by 9:30am CT. Funds will be deposited into the members account the following business day. FHLB DN auctions are conducted each Tuesday and Thursday. If a holiday falls on Tuesday or Thursday, FHLB DN auctions are generally held on the preceding business day in which funding requests will be accepted.

Interest Rate

Advance rates will be determined by adding a spread to the appropriate FHLB DN auction's weighted average money market rate (WAMM). The advance rate will reset either every 8, 13 or 26 weeks or the preceding business day if that calendar day falls on a holiday. New York Banking Days are used. In the event that an auction does not occur or discount notes are not issued on any given determination date, the index rate will be the estimated rate at which the Bank could have issued such discount notes as calculated by the Bank in its sole discretion. FHLB DN Auction results are observable by going to http://www.fhlb-of.com/ofweb_userWeb/pageBuilder/debt-securities-21. To obtain pricing please contact Member Services at 844.FHLBank (844.345.2265).

Optionality

At advance origination a one-time step-up option is set for 1, 2, 3, 4, or 5 years depending on total maturity. On the option date, members will have a one-time option either to extend the maturity to a previously agreed upon date, where the total maturity is not to exceed 10 years or prepay the advance in full with two business days' notice to the Bank. The expiration of this one-time extension option will typically be in one to three years and must fall on a rate-reset date. The spread for the extended maturity will be significantly higher than the initial spread and is subject to FHLB Dallas Capital Markets Policy.

Interest/Day Count

Actual/360

Principal & Interest Payments
Interest payments are debited monthly on the first business day of the month unless otherwise agreed to in writing at the time of borrowing. Principal and remaining accrued interest are collected at maturity. New York Banking Days are used.

Prepayment
Members can prepay a MAC Step-up advance on any reset date prior to the step-up date or on the step-up date without incurring a prepayment fee. Prepayments after the step-up date may incur a prepayment fee. See MPCP for prepayment policy.

Advances Auction Programs

Advances Auction
Fixed-Rate, Short-Term

The Short-Term, Fixed-Rate Advances Auction is an attractive source of quick liquidity that does not require the delivery of specific types of collateral to the Bank. You may secure advances facilitated through the auction platform with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Short-Term Advances Auctions are offered weekly and are available to all unrestricted members through SecureConnect.

Uses
- Competitively bid to obtain advances
- Potential for funding at rates lower than posted SecureConnect rates
- Alternative to purchasing fed funds
- Effectively manage short-term cash management position

Advantages
- Easily place bid in auction via SecureConnect
- Multiple bids may be submitted
- Attractive pricing, commonly lower than posted SecureConnect rates
- All activity transacted immediately through your DDA
- Variety of terms available

Terms & Conditions

Terms
Overnight to 1-year terms are available

Availability of Funds
Bids must be received by the Bank prior to the respective closing time(s) specified. Accepted bids are funded to the member's DDA immediately following the completion of the auction.

Interest Rate
Rates are determined by adding the appropriate spread to fed funds, discount notes, and/or the swap market, depending on the term selected. To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal & Interest Payments
Principal & interest are collected at maturity.

Advances Auction

Fixed-Rate, Long-Term
Principal at Maturity – "Bullet"
The Long-Term, Fixed-Rate Advances Auction is an attractive source for long-term funding that is structured similar to a retail Certificate of Deposit held in your institution. You may secure Bullet Advances facilitated through the auction platform with any eligible collateral under the Bank's collateral policies, including the blanket lien for eligible institutions. Fixed-Rate, Fixed-Term Advances Auctions are offered occasionally and are available to all members through SecureConnect.

Uses

- Competitively bid to obtain advances
- Potential for funding at rates lower than posted SecureConnect rates
- Manage asset/liability and interest rate risk
- Provide funding for the origination or purchase of fixed-rate loans or investment securities
- Temporary funding for mortgage originations that are intended for sale

Advantages

- Easily place bid in auction via SecureConnect
- Multiple bids may be submitted
- Attractive pricing, commonly lower than posted SecureConnect rates
- All activity transacted immediately through your DDA
- Control margin cost of deposits
- Variety of terms available

Terms & Conditions

Terms
Terms up to 10 years are available. Specific offerings determined prior to the start of the Advances Auction.

Availability of Funds
Bids must be received by the Bank prior to the respective closing time(s) specified. Accepted bids are funded to the member's DDA immediately following the completion of the auction.

Interest Rate
The rate will be fixed for the term of the advance based on a spread to the Bank's own cost of funding for comparable maturities. To obtain pricing contact Member Services at 844.FHLBank (844.345.2265).

Interest/Day Count
Actual/360

Principal & Interest Payments
Interest payments are debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. Principal and interest are collected at maturity. New York Banking Days are used.

Guaranteeing Rates for Future Funding

Members may guarantee a rate for future funding in one of the following ways:

Mandatory Future Funding

The mandatory forward starting advance feature provides a Member with the ability to lock in fixed rate funding in the future. This feature can be applied to FRFT and PRAM advances. This feature obligates a member to take down a fixed rate advance at a specified rate at a specified future date (e.g., 60 days forward). A commitment fee could apply. See the Member Products and Credit Policy.

Advantages

Guarantees a rate for a specific amount and term that the member is obligated to fund on a future date.

Available Structures
FRFTs and PRAMs without embedded options.

Availability of Funds
Funding requests are accepted by telephone. Commitment requests should be transacted by 4:00 p.m. CT.

Commitment Term
Commitment terms are available for up to 3 years. Longer periods available and are subject to market conditions.

Minimum Transaction
The recommended minimum transaction amount is $5 million.

Commitment Fee
The commitment fee will vary with the commitment term and the advances product selected. The member may choose to pay the fee up front or add it to the advances rate. Contact Member Services for the applicable fee.

Interest Rate
Interest rates are established daily based on prevailing market rates. To obtain pricing, contact Member Services at 844.FHL.Bank (844.345.2265).

Symmetrical Prepayment for Advances

Advance Types
The symmetrical prepay feature is available on FRFT & PRAM advances without other embedded options.

Uses
- Manage asset/liability risk
- Manage interest rate risk

Advantages
- Control marginal cost of deposits
- Monetize economic gains on the advance when rates rise, prepay at a discount

Terms & Conditions

Terms
Terms of 1 year up to 10 years are available.

Minimum Transaction
The recommended minimum transaction amount is $5 million.

Principal and Interest Payments
For FRFTs: Interest is due monthly and is debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. Principal and remaining accrued interest is due at maturity.

For PRAMs: Interest payments and scheduled principal payments are debited monthly on the first business day of the month for the amount accrued through the last day of the previous month. New York Banking Days are used.

Interest Rate
The rate will be fixed for the term of the advance.

Interest/Day Count
Short-term (1 year): Actual/360

Long-term (greater than 1 year): 30/360

Availability of Funds
Requests for funds will be accepted until 3:00 p.m. CT.

Pricing
This symmetrical prepayment feature is priced at a nominal spread that will be added to the rate on the advance. To execute, please contact Member Services at 844.FHL.BANK (844.345.2265).

Prepayment of Advances

Prepayment of Advances
The prepayment policy and description of the calculation methodology are contained in the Member Products and Credit Policy. This policy is available on the Bank's web site or through Member Services.

Letters of Credit/Confirmations

The Bank may issue Standby Letters of Credit (LOC) and Confirmations of Letters of Credit on behalf of members to provide liquidity or other funding or to facilitate the following types of business transactions that a member may have with third parties:

- Residential housing finance
- Community lending that is eligible for any of the Bank's Community Investment Cash Advance (CICA) programs under the Regulations
- Asset/liability management
- To provide liquidity or other funding
- To facilitate the collateralization of public unit deposits
- To support taxable bonds
- To support tax-exempt bonds in cases where Section 149, of the Internal Revenue Code specifically authorizes a debt instrument to be federally guaranteed while maintaining its tax-exempt status

Pricing and Fees
Fees for LOCs are set by evaluating competing sources of similar credit enhancements and issuance costs. LOCs that facilitate projects under the Bank's CICA program are provided special consideration in accordance with the CICA regulations. If funding of a letter of credit does occur, the member must reimburse the Bank on the same day by depositing immediately available funds in its deposit account at the Bank. The Bank may permit the member to finance its reimbursement obligation, in which case the funding becomes an advance that is rolled over daily. The advance may then be converted to an appropriate term and interest rate upon request by the member and agreement by the Bank.

Issuance Fees for LOCs
Issuance fees for LOCs are based on the per annum amount and term outstanding. Issuance fees are nonrefundable if terminated or drafts are presented prior to the expiration of the Letter of Credit. The following table summarizes the annualized cost and processing fees for each product type. Note: An additional $350 late fee for a Letter of Credit will be applied when the application is received after 3:30 p.m. Central Time and the Bank is instructed to process the Letter of Credit the same day.

Product	Minimum Issuance Fee	Up to 15 Years
Standby LOC	$125	7.5 bps
Community Investment Standby LOC	$125	5.5 bps
Custodial LOC	$125	7.5 bps

Product	Processing Fee	< 1 Year	> 1 Year and < 5 Years	> 5 Years and < 15 Years
LOC Non-Bond Confirmations	$500	25 bps	30 bps	35 bps

Product	Processing Fee	< 1 Year	> 1 Year and < 5 Years	> 5 Years and < 15 Years
Confirmations of LOC Including Taxable Bonds	$3,500 ($1,500 for renewal)	25 bps	30 bps	35 bps
Confirmations of LOC Tax-Exempt Bonds	$5,000 ($2,500 for renewal)	25 bps	30 bps	35 bps
Product	**Processing Fee**	**< 1 Year**	**> 1 Year and < 5 Years**	**> 5 Years and < 15 Years**
Community Investment Confirmations of LOC Including Taxable Bonds	$3,500 ($1,500 for renewal)	20 bps	25 bps	30 bps
Community Investment Confirmations of LOC for Tax-Exempt Bonds	$5,000 ($2,500 for renewal)	20 bps	25 bps	30 bps

Negotiation Fees for LOCs
Drafts presented to the Bank by a third party (beneficiary) pursuant to an LOC and funded by the Bank will be considered an advance disbursement. In addition to the issuance fee collected at the time of issuance, a negotiation fee equal to 1 percent of the amount funded pursuant to the LOC will be charged to the member's DDA on the date of disbursement.

Generally, the Bank does not anticipate that a Standby Letter of Credit/Confirmation will be funded. However, if funding does occur, the member must reimburse the Bank on the same day by depositing immediately available funds in its deposit account at the Bank. The Bank may permit the member to finance its reimbursement obligation, in which case the funding becomes an advance that is rolled over daily. The advance may then be converted to an appropriate term and interest rate upon request by the member and agreement by the Bank. In addition, any required capital stock purchase for the advance will be calculated and sufficient collateral will be required at the time of funding.

Term
The Bank encourages members to match the term of each Letter of Credit with the term of the member's underlying obligation to the third party (beneficiary). Letters of Credit will not be issued for terms exceeding 15 years.

Once issued, an LOC will remain in effect until the stated termination date, unless all parties, including the beneficiary,

agree in writing to an earlier termination.

Maximum Dollar Amount
The maximum dollar amount of each Letter of Credit and the aggregate outstanding amount of all Letters of Credit issued for a member will be subject to the members' unused borrowing capacity.

Renewal
Upon request, the Bank may issue Letters of Credit that are automatically extended for a specific term. For Letters of Credit that are not automatically renewed, members may request a new Letter of Credit at maturity.

Amendment
Upon request, the Bank may amend a Letter of Credit to extend the term from one day up to 15 years and/or increase the amount of a Letter of Credit prior to maturity. Also, upon request, the Bank may increase or decrease the amount of a Custodial Letter of Credit prior to maturity. The Bank may, but has no obligation to, honor an amendment request.

Availability
The member must execute an "Agreement for Standby Letter of Credit/Confirmation Advances" that sets forth the terms and conditions of the issuance of Letters of Credit by the Bank. A separate LOC application request form must be submitted for each Letter of Credit, identifying the beneficiary, the purpose of the Letter of Credit, and other information required by the Bank.
All Letters of Credit issued by the Bank will be secured by the pledge of, and creation of a security interest in, collateral as outlined in the current Policy. The principal amount of the Letter of Credit will be added to the member's outstanding advances for the purposes of calculating collateral requirements.

Fluctuating Balance Letter of Credit Option
Standby and Custodial Letters of Credit issued for the benefit of a single public unit depositor in an amount of $5 million or greater may be issued by the Bank using the fluctuating balance option. This option allows the Member to be charged a fee at the rates listed above, but calculated based on the average daily collateral utilization of the aggregate deposits of the Beneficiary that are collateralized by the Letter of Credit during the preceding quarter. Fees are debited from the Member's main deposit account on the fifth business day following the end of the quarter. Members are required to submit a certification to the Bank no later than the third business day following the end of the quarter providing the average daily balance amount. New York Banking Days are used.

Community Development Programs

Community Investment Program (CIP)

Community Investment Program (CIP) Advances are available on a continuous basis and are available for fixed-rate, fixed-term advances ranging from 3 months to 30 years for non-amortizing advances and from 3 months to 40 years for amortizing advances. CIP Advances are also available for floating rate advances with terms matching the MAC Term and SOFR Advance. Standby Letters of Credit and Confirmations are also available. CIP advances are specifically designed to encourage members to increase their involvement in community revitalization and to undertake community-oriented mortgage lending.

CIP advances may be used to fund single- and multifamily housing that benefits families or individuals with incomes at or below 115 percent of the area median.

To discuss projects that may qualify for CIP pricing, please contact Member Services.

Uses
- Mortgage financing
- Home improvement
- Rental housing
- Handicapped housing modifications

- Construction
- Mortgage-backed securities/revenue bonds
- Purchase or finance low-income housing tax credits

Advantages

- Lower interest rates than standard Bank advances
- May contribute to compliance with Community Reinvestment Act (CRA) requirements
- Continuous availability
- Minimal interest rate risk
- No cash reserve requirement
- Quick response and ease of use

Terms & Conditions

Terms

3-month to 40-year terms are available.

Interest Rate

CIP advance rates will be priced below the Bank's standard and SecureConnect advances rates for comparable maturities.

Eligibility

A member's total community development advances, which include CIP, Affordable Housing Program, Economic Development Program and Disaster Relief Program Advances may not exceed, at the time the advance is approved, the lesser of 15 percent of an institution's total assets, or $200 million.

Commitment Fee

The Bank will guarantee the rate for qualified CIP advances for a term of 3 months without a rate guarantee fee. To qualify for the no-fee guarantee, the member must provide assurances acceptable to the Bank that a specific project or program for which the guarantee is requested will fund within the commitment period.

CIP advances that are eligible for rate guarantees may be used as stated in the Member Products and Credit Policy.

Economic Development Program (EDP)

Economic Development Program (EDP) advances are available on a continuous basis and are available for fixed-rate, fixed-term advances ranging from 3 months to 30 years for non-amortizing advances and from 3 months to 40 years for amortizing advances. EDP Advances are also available for floating rate advances with terms matching the MAC Term and SOFR Advance. Standby Letters of Credit and Confirmations are also available. In order to qualify for EDP funds, economic and commercial development projects must meet one of the following qualifications:

- Be located in a rural area (population less than 25,000) in which the average family income is at or below 115 percent of the median income
- Be located in an urban area (population greater than 25,000) in which the average family income is at or below 100 percent of the area median income
- At least 51 percent of the project's employees have incomes at or below the qualifying percent of the area median income
- At least 51 percent of the families who benefit from or are provided services by this project have incomes at or below the targeted income level
- Project qualifies as a Small Business as defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions
- Project qualifies as another targeted beneficiary as approved by the Finance Agency

To discuss projects that may qualify for EDP pricing, contact the Member Sales Group.

Uses

- Capital improvement
- Construction
- Small business/small agriculture
- Public works/wastewater infrastructure
- Industrial facilities
- Civic centers, social services facilities, and historic preservation
- Nursing homes, hospitals, and community health-care facilities
- Mortgage-backed securities/revenue bonds

Targeted Areas That May Automatically Qualify for EDP Advances

- Empowerment zones
- Enterprise communities
- Champion communities
- Native American areas
- Brownfields
- Military base closing areas
- Community Adjustments and Investment Program (CAIP) areas
- Federal or approved State Disaster Areas

Terms & Conditions

Terms

3-month to 30-year terms are available.

Interest Rate

EDP advance rates will be priced below the Bank's standard and SecureConnect advances rates for comparable maturities.

Eligibility

A member's total community development advances, which include CIP, Affordable Housing Program, EDP, and Disaster Relief Program Advances, may not exceed, at the time the advance is approved, the lesser of 15 percent of the institution's total assets or $200 million.

Commitment Fee

The Bank will guarantee the rate for qualified EDP advances for a term of 3 months without a rate guarantee fee. To qualify for the no-fee guarantee, you must provide assurances acceptable to the Bank that a specific project or program for which the guarantee is requested will fund within the commitment period.

CIP/EDP advances that are eligible for rate guarantees may be used as stated in the Member Products and Credit Policy.

Small Business Boost

Purpose

Small Business Boost (SBB) aids members so that they may provide financing for qualified small business transactions that would not otherwise meet member loan underwriting criteria. SBB funds are disbursed through members to small businesses as SBB loans. Upon approval, the Bank provides SBB recoverable assistance to the member, which then in turn makes the SBB loan to the small business. As small businesses grow and repay the SBB loans to the member, the member will return these funds to the Bank. The Bank may then make these funds available again to help finance future SBB recoverable assistance. This small business funding program is available only through members enrolled in the SBB program.

SBB funds may be used to help small businesses with building purchases, land acquisition and construction, facility

expansion, machinery and equipment purchases, permanent working capital, leasehold improvements and/or closing costs.

Qualifications
The small business must meet certain requirements as outlined in the Bank's SBB Program Manual and application. Each applicant must qualify as a small business based on Small Business Administration (SBA) size standards. In addition, one job must be created or retained for every $62,500 in SBB loan proceeds obtained. If this requirement will not be met, then other economic impact must be demonstrated in the application. The Bank reserves the right in its sole discretion to deny SBB loans to small businesses if the loans do not meet the program's objectives.

Funding
The Bank may allocate a certain dollar amount of SBB funds each year which are available to members during specified funding rounds on a first-come, first-served, business-by-business basis until the funds are exhausted. A member must complete a written application to apply for SBB funds. If the Bank determines that the SBB funds have been improperly used, it may require immediate repayment of the SBB funds.

Affordable Housing Program (AHP)

The Bank's Affordable Housing Program (AHP) was developed to help members meet critical affordable housing needs in the communities they serve. The Bank provides advances or direct grants to members engaged in lending for long-term, very low-, low-, and moderate-income, affordable, owner-occupied and rental housing. Under the program, the Bank will subsidize the interest rate on advances or provide direct subsidies to qualified members engaged in lending for income- qualified housing.

Members may apply for AHP funds on an annual basis only. Please refer to the Bank's Implementation Plan for the application period. AHP subsidies are made in accordance with AHP regulations, statements of policy, and guidelines established by the Federal Housing Finance Agency. Subsidies are awarded based on a competitive selection process and will be restricted by the amount of subsidy available during each offering period.

Uses
- Finance the purchase, construction, and/or rehabilitation of owner-occupied housing for families with incomes at or below 80 percent of the area median income (AMI)
- Finance the purchase, construction, and/or rehabilitation of rental housing in which at least 20 percent of the units are occupied and affordable to households with incomes at or below 50 percent of the AMI

Advantages
- Source of funding to facilitate affordable housing
- Assist in meeting demand for affordable housing
- Flexible uses of funds
- Technical assistance from Bank staff

Terms & Conditions

Funding
The Bank annually contributes a percentage of its net income to the AHP. The minimum contribution is 10 percent; this may be increased if a larger contribution is required to meet the Bank System's overall AHP target, which is $100 million.

Competition and Scoring
Funds are awarded through one District-wide competition each year. A 100-point scoring system is used to evaluate applications. Those achieving the highest scores will receive first priority for funding.

Applications are scored based on how well they achieve the following program criteria:
- Projects that develop housing using property donated or conveyed for a nominal price
- Projects that result in the creation of affordable housing and are sponsored by a nonprofit organization,

state or political subdivision, state housing finance agency, local housing authority, or Native American tribe

- Projects that result in the purchase, construction, or renovation of owner-occupied housing for very low-, low-, and moderate-income households, or rental housing when at least 20 percent of the units are set aside for very-low-income households
- Projects that provide permanent housing for the homeless; i.e., facilities providing transitional shelter with at least a 6-month occupancy requirement in conjunction with counseling
- Projects that empower the urban or rural poor through employment, education, training, counseling, resident involvement or similar programs and services combined with housing that meets critical housing needs and assists residents in moving toward better economic opportunities
- Projects that need smaller amounts of AHP funds per unit of affordable housing will receive higher scores
- Projects that promote community stability and community revitalization
- Two priorities to be established by each District Bank -- the Community Investment Department can provide the current priorities

Reporting
Members and project sponsors that receive AHP funds will be required to file periodic status reports until program obligations are met. In addition, members and sponsors will be required to certify, upon project completion, that program obligations have been met and that AHP funds have reached the intended targets.

Monitoring
Members receiving AHP funds will be required to participate in a special monitoring process to determine full compliance with program objectives and terms of the application. For owner-occupied units, files should verify the income of the purchaser to ensure compliance with the income criteria of the program. For rental properties, rent rolls or other documentation should be maintained to verify the income of the tenants to ensure compliance with the AHP application. Evidence of long-term retention should also be maintained.

Recapture
If the proceeds of an AHP advance or direct subsidy are no longer being used for the purpose approved by the Bank, the amount of committed but unused funds will be recovered by the Bank. If funds are determined to have been improperly used, the Bank may be required to recover the funds from the member.

Additional Information

The Bank's Member Sales and Member Services teams are the central point of contact for member access to information about our advances and other financial products. These groups are available to assist in addressing your specific funding needs, provide information on alternative advance programs, and provide notice of special product offerings.

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Phone Number:	214.441.8444
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