FHLBANK DALLAS

Credit Products Summary Guide

Product		Description	Term	Common Uses	Features and Availability
Fixed-Rate Advances	**Overnight Advance (O/N)**	Overnight advance priced daily based on the prevailing discount note market	Overnight	Competitive overnight source of liquidity	Available through SecureConnect or by calling Member Services
	Whole Loan Advance	Short-term advance priced daily based on the prevailing discount note market with a variety of maturity options	2 days to 35 days	Access short-term funding with the ability to choose the specific maturity date. Offers the member maturity flexibility for short-term funding	Available through SecureConnect or by calling Member Services
	Discount Note Advance (DNA)	Structured short-term advance priced daily based on the prevailing discount note market	7-, 14-, 21-, and 28-day	Utilize funding that can be scheduled as consistent funding. Can refund on the same day of the week each month	Available through SecureConnect or by calling Member Services
	Fixed-Rate / Fixed-Term or Bullet (FRFT)	Standard fixed long-term advance; interest is due monthly and the principal amount due at maturity	31 days to 20 years	Manage asset/liability and interest rate risk, fund construction loans and provide temporary funding for mortgage originations intended for sale	Available at CIP/EDP rates for advances that qualify; available through SecureConnect or by calling Member Services
	Principal and Interest Amortizing (PRAM)	Standard amortizing advance-structured like the typical amortizing mortgage loan	1 to 20 years; Can be structured for up to a 30-year schedule	Match mortgage loan portfolio, match-fund long-term assets, funding residential, commercial, and consumer loans	Adding the 'No Prepayment Fee' (Pricing available in the Member Products and Credit Policy) feature at origination enables prepayment of all or part of the amount at any time after five years with no fee. CIP/EDP rates availability on certain advances
Floating/Variable Rate Advances	**Maximizer (MAX)**	Short-Term floating rate that resets daily to discount note market price	Fixed: Overnight Floater: Up to 30 days	Competitive short-term source of liquidity	Requests must be submitted by 10:00 a.m. CT for same day funding. Available through SecureConnect
	MAC Term	Provides members with a floating-rate advance that is indexed to 8-, 13- or 26- week FHLBank discount notes	1 to 10 years	A popular, low-cost floating-rate source of funding at the bank	Prepayment option available on reset dates. Available by calling Member Services.
	SOFR-Linked Advance	Fixed-term, floating rate, non-amortizing, advance that resets daily based on the SOFR Index	3 Months to 5 years	Better manage interest rate risk, reduce the basis risk of funding adjustable rate assets	Available by calling Member Services

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Structured Products and Funding Strategies	**FHLB Dallas Owns the Option (FOTO)**	Provides the option for the FHLB Dallas to recall the advance quarterly after a specified lockout date	2 to 15 years with various lockouts	Lower funding cost when the market rates and implied volatility remain stable	$5 million minimum transaction; FOTO advances may not exceed 33 percent of the member's total advances outstanding immediately following execution
	Callable SOFR	Fixed-term, floating rate, non-amortizing, advance that resets daily based on the SOFR Index with callable optionality without penalties at set dates	Callable SOFR Quarterly Optionality (Bermudan Option): 9 months to 5 years Callable SOFR One-time Optionality (European Option): 6 months to 5 years	Source of short-term liquidity at rates comparable to other short-term liabilities, Replacement for Bank Term Funding Program (BTFP) loans, General balance sheet funding with an uncertain term	Available by calling Member Services
	Symmetrical Prepayment	Allows credit to be earned through prepayment of an advance in a rising interest rate environment	1 to 10 years	Manage asset/liability risk, manage interest rate risk, control marginal costs of deposit, offset losses in fixed-rate assets and other fixed investments due to increasing rates	Advances cannot include the Symmetrical Prepayment Feature and be Forward-Starting.
	Mandatory Forward-Starting Advance	Locks in a low rate today on an advance that settles at a future date	Up to 20-year term on advance, not including the forward starting period	Protect against rising interest rates, fund future loan growth, and offset deposit outflows caused by increasing rates	Advances cannot include the Symmetrical Prepayment Feature and be Forward-Starting
	Floating-to-Fixed Advance	Initial floating-rate advance indexed to discount notes that is combined with a forward-starting fixed rate advance	1 to 10 years	Can be matched comparatively with member construction-to permanent loans. Locks in a rate and protects against margin risk in a rising rate environment	Advances cannot include the Symmetrical Prepayment Feature and be Forward-Starting.
	Ladder Advance Strategy	Combines advances with different maturities in order to provide long-term funding	1 to 20 years	Hedge investments with different cash flows and maturities. Fund loan portfolios with various maturities	Available by calling Member Services
Letters of Credit (LOC)	**Standby Letter of Credit (LOC)**	Provide liquidity or facilitate certain types of business have with a third party	Up to 15 years	Facilitate the collateralization of public unit deposits and support taxable/nontaxable bonds	Evergreen renewal: If requested, the Bank may issue LOCs that are auto extended for a specific term; available in CIP/EDP pricing for qualifying projects; available with Multidraw and Fluctuating Balance features
	Custodial LOC	Allows members to allocate funds from a single letter of credit to multiple beneficiaries; Bank acts as the custodian for the LOC	Up to 15 years	Facilitate the collateralization of public unit deposits	Available with Fluctuating Balance feature
	Confirmation LOC	Allows members to support their existing LOCs for the purpose of an enhanced credit rating	Up to 15 years	Support existing LOC for commercial activities and support taxable/ nontaxable bonds	Evergreen renewal: If requested, the Bank may issue LOCs that are auto extended for a specific term; available in CIP/EDP pricing for qualifying projects; available with Multidraw and Fluctuating Balance features

Contact Member Services at 1.844.FHL.BANK or see ***fhlb.com*** for more information