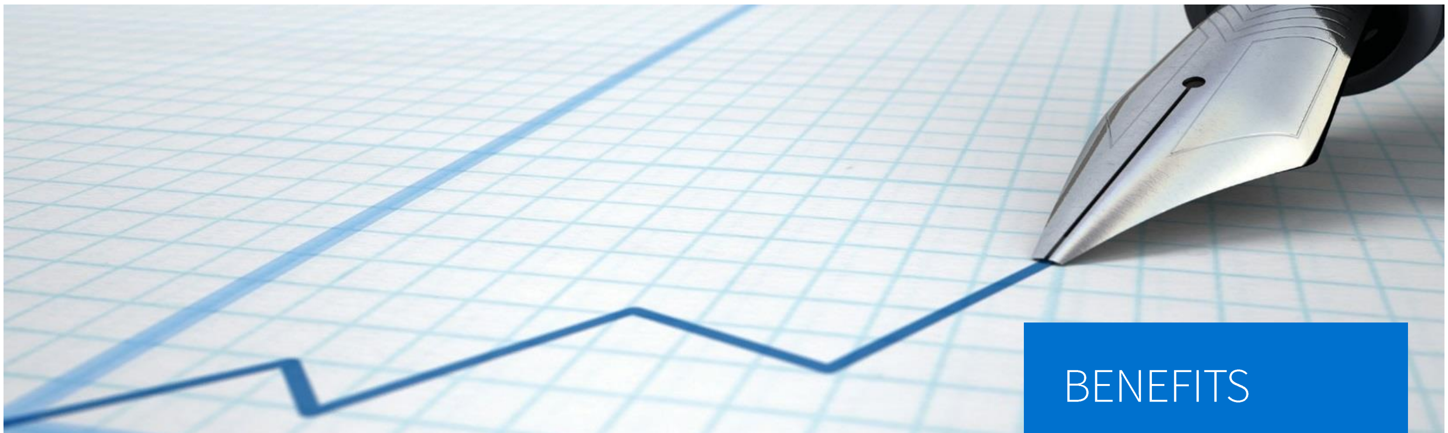
FHLBANK DALLAS

Earn Prepayment Credit in a Rising-Rate Environment

Advances with Symmetrical Prepayment

In the current rate environment, protecting your institution against rising rates is of significant importance. A Fixed-Rate advance with the optional Symmetrical Prepayment feature provides the flexibility to prepay below par and potentially realize a gain if interest rates have risen sufficiently since the advance was originated.



How It Works

Available at a minimal cost, the Symmetrical Prepayment feature allows a member to prepay a fixed-rate, fixed-term, or principal-amortizing (PRAM) advance below par and realize a gain if interest rates have risen sufficiently since the advance was originated. Traditional advances without the Symmetrical Prepayment feature cannot be prepaid below par even if the rates on those advances are significantly lower than current rates.

Uses

- Fund fixed-rate investments to offset market value declines of fixed-rate mortgages, loans, or other investments if interest rates rise
- To provide long-term liquidity, but retain the flexibility to prepay and potentially receive a prepayment credit in a rising-rate environment

Terms

- Maturity: One year to 10 years
- Minimum transaction size: $5 million
- Available with fixed-rate bullets
- Available with amortizing structures

BENEFITS

- Fixed-rate, fixed-term liquidity with flexibility
- A cost-effective way to lock in funding in a rising-rate environment
- The potential to avoid prepayment fees and credit potential if rates rise sufficiently

For more information, visit *fhlb.com* or contact:

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