

# Credit Products Summary Guide

|                                 | Product   | Description   | Term                                       | Common Uses   | Features and Availability   |
|---------------------------------|---|---|--|---|---|
| Fixed-Rate Advances             | <b>SecureConnect Saver (SCS)</b>                        | Overnight advance priced daily based on the prevailing discount note market                                     | Overnight                                  | Competitive overnight source of liquidity   | Available through SecureConnect   |
|                                 | <b>Whole Loan Advance (WLA)</b>                         | Short-term advance priced daily based on the prevailing discount note market with a variety of maturity options | Overnight 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 by calling Member Services  |
|                                 | <b>Discount Note Advance (DNA)</b>                      | 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   |
|                                 | <b>Fixed-Rate / Fixed-Term or Bullet (FRFT)</b>         | 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   |
|                                 | <b>Principal and Interest Amortizing (PRAM)</b>         | Standard amortizing advance-structured like the typical amortizing mortgage loan                                | Up to 20 years                             | Match mortgage loan portfolios, match-fund long-term assets, fund residential, commercial, and consumer loans                                     | Adding the 'No Prepayment Fee' (additional 25 basis points) 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 |
|                                 | <b>Maximum Advantage with Convenience (MAC)</b>         | Lowest-cost advance that provides maturity alert reminder to re-book at maturity                                | 8-, 13- or 26-wk                           | Competitive short-term source of liquidity and alternative to purchasing fed funds  | Available Tuesdays and Thursdays for next-day settlement. \$50 million minimum transaction  |
| Floating/Variable Rate Advances | <b>Maximizer (MAX)</b>                                  | Short-term floating rate that resets daily to discount note market price  | Fixed: Overnight<br>Floater: Up to 30 days | Competitive short-term source of liquidity  | Request must be submitted by 9:00 a.m. CT for same day funding. Available through SecureConnect   |
|                                 | <b>Non-Amortizing Floating Rate/Term LIBOR Floaters</b> | Long-term floating rate advance based on 1- or 3-month LIBOR index that resets every one or three months        | Maturity date on or before 12/31/2021      | Better manage interest rate risk, fund adjustable rate mortgages (ARMs), reduce the basis risk of funding adjustable rate assets                  | Can apply a cap or floor for an additional cost. The cap may be either applied to the coupon of the advance or the floating rate index. Available in CIP/EDP pricing for advances that qualify                              |
|                                 | <b>MAC Term</b>   | 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   | Advance without prepayment option is also available   |
|                                 | <b>SOFR-Linked Advance</b>                              | Short-term floating-rate advance that resets daily based on the SOFR Index                                      | 3-, 6-, 9-, 12-, 15-, or 18-month          | 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 | <b>FHLB Dallas Owns the Option (FOTO)</b> | Provides the option for FHLB Dallas to recall the advance quarterly after a specified lockout date.   | 2 to 10 years  | Lower funding cost when 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  |
|  | <b>Callable</b>                           | Provides the option to recall the advance quarterly after a specified lockout date  | 2 to 10 years  | Manage asset/liability and interest rate risk, provide match funding for the origination or purchase of fixed-rate loans or investment securities                                 | Member pays the call option premium. The minimum transaction amount is \$5 million   |
|  | <b>Symmetrical Prepayment</b>             | 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 | Available by calling Member Services   |
|  | <b>Swap + Rolling Advance</b>             | A funding strategy that involves combining short-term funding and long-term swap contracts  | 1 to 10 years  | Manage interest rate risk. May be used to offset losses from Accumulated Other Comprehensive Income   | Available by calling Member Services   |
|  | <b>Expander Advance</b>                   | At the option of the member, the size of the advance can be doubled at the existing fixed rate (other multipliers may be priced upon request) | 1 to 10 years  | Lock-in access to future funding at today's rate, replace higher cost funding or deposit runoff.  | The Expander option date can be structured from 3 months to 5 years  |
|  | <b>Forward-Starting Advance</b>           | 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  | Available with Symmetrical Prepayment feature  |
|  | <b>Floating-to-Fixed Advance</b>          | Initial floating-rate advance indexed to discount notes or LIBOR 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                           | Available by calling Member Services   |
|  | <b>Ladder Advance Strategy</b>            | 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)                    | <b>Standby Letter of Credit (LOC)</b>     | Provide liquidity or facilitate certain types of business transactions that a member may 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 |
|  | <b>Custodial LOC</b>                      | 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   |
|  | <b>Confirmation LOC</b>                   | 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 |