

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. |
| | 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 |

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| 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