

Frequently Asked Questions

COVID-19 Relief Advances Program

The Federal Home Loan Bank of Dallas (FHLB Dallas) has put in place the COVID-19 Relief Advances program to assist members in funding customer needs associated with the Coronavirus Aid, Relief, and Economic Security (CARES) Act as well as other member needs associated with the COVID-19 pandemic. Funding under these programs will be available from April 13, 2020 until the funds are exhausted, or June 30, 2020, whichever occurs first.

Who is eligible for these advance programs?

FHLB Dallas members and housing associates.

What advances are available under the program?

A maximum of \$5 billion in Fixed-Rate, Fixed-Term advances will be made available for the short-term borrowing needs of members. The advances are available in terms of 6 months or less at a rate of 0.25%. Of the \$5 billion in available funding, \$1.5 billion is reserved for community financial institutions (CFIs), as defined in FHLB Dallas' Member Products and Credit Policy (MPCP).

A maximum of \$3 billion in Fixed-Rate, Fixed-Term advances will be made available for long-term advances with a maturity of more than 6 months to a maximum of 5 years with a rate equivalent to FHLB Dallas' cost.

What types of activities qualify for the advance program?

Proceeds from the COVID-19 Relief Advances may be used for the following:

- To fund Small Business Administration (SBA)-guaranteed loans that have been disbursed or that have been approved and will be disbursed under the CARES Act, which was signed into law on March 27, 2020.
- To provide funding for other activities associated with the COVID-19 pandemic, which may include but are not limited to:
 - Servicing advances associated with payment deferrals
 - Supplementing other delays in payments associated with the ordinary course of business
 - Facilitating other activities to supplement cash flow disruption of members and their customers

How might insurance company members participate?

Activities such as deferring premium payments for customers or taking other measures to enhance the cash flow of customers will qualify.

How will the COVID-19 Relief Advances funds be allocated?

Advances will be made based upon a first-come, first-served basis subject to members' available borrowing capacity.

- Large financial institutions (LFIs) may borrow up to \$500 million per institution. This limit only applies to short-term advances (6 months or less) at 0.25%
- Community Financial Institutions (CFIs) may borrow up to their available collateral amount.

How do I know if I am a CFI or an LFI?

Your designation is found on your Member Profile in SecureConnect.

Are these advances available through SecureConnect?

Yes. From the Advances Entry Screen in SecureConnect, select Trade Entry then select the COVID-19 Relief Advances option and enter your amount and term. The advances will be available each weekday from 9:00 a.m. to noon CT.

How Can I Get Access to the Advances?

Complete the COVID-19 Relief Advances Certification Form. Please allow one day to process. The certification is available on the SecureConnect landing page.

How do I submit my institution's COVID-19 Relief Advances Certification Form?

From your institution's email, please email your completed certification to MemberServices@fhlb.com.

Who can sign the certification?

Employees of your institution with advances authority may submit the certification. FHLB Dallas will accept a scanned copy of the signed form or will accept a digital signature.

How long will it take to process the advance request/certification?

Advance requests entered through SecureConnect by 12:00 p.m. CT will be processed the same day.

Are the advances prepayable without a fee?

The short-term advances are prepayable without a fee. However, the long-term advances may incur a prepayment fee.

What happens at maturity of the advance?

Advances may either be paid off or rolled into another advance subject to FHLB Dallas' MPCP.

Are unsecured SBA loans originated in accordance with the 2020 CARES Act eligible as collateral with the Bank?

FHLB Dallas is exploring various options for accepting the loans as collateral, but currently the CARES Act loans are not eligible collateral.