

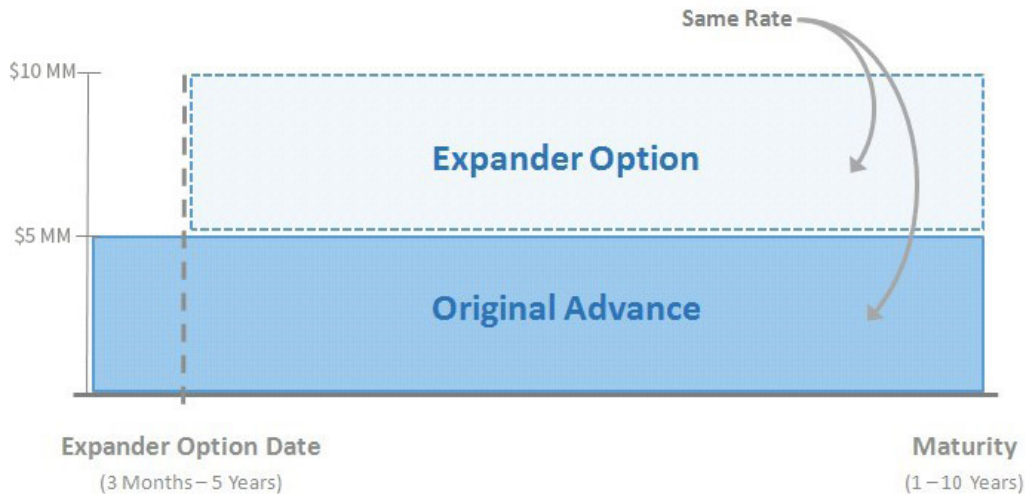
# Expander Advance

## Frequently Asked Questions (FAQ)

### What is an Expander Advance?

An Expander Advance is a fixed-rate/fixed-term, non-amortizing advance in which you, the member, receive a one-time option to increase the advance balance by a multiple of the original balance at the original interest rate for the remaining term of the advance.

*Sample Expander Advance: \$5 million original advance with the option to expand an additional \$5 million on the Expander Option Exercise Date*



A typical structure would allow a member to increase the total principal up to twice the amount of the original advance balance on a pre-determined option exercise date with proper notification.

### Can I expand an advance to more than twice the original advance amount?

Yes, the maximum amount of the potential future expansion will be agreed upon and specified in the original agreement.

### Once I have entered into an Expander Advance, could I expand the amount for less than the Expander Option?

Yes, you may exercise the Expander Option in whole or in part on the Expander Option Exercise Date.

For example, if you had an original \$5 million advance with the option to expand to twice the amount (an additional \$5 million), you could expand as little or as much as you would like as long as the expansion does not exceed the additional \$5 million.

### How soon can I expand the amount of my Expander Advance (i.e., exercise the Expander Option)?

The Expander Option Exercise Date can be established as soon as three months from the original advance date.

### Can I expand my advance at any other time than the Expander Option Exercise Date?

No, you can only expand your advance at the Expander Option Exercise Date that is established at the inception of your advance.

### When do I notify the Bank that I would like to expand the advance (i.e., exercise the Expander Option)?

Notify the Bank in writing on or before the Expander Option Notice Date, which is five business days prior to the Expander Option Exercise Date, by 2:00 p.m. Central time.

### What are the main terms of an Expander Advance?

Topic	Description
Maturity	1 – 10 Years
Minimum Size	\$5 Million
Type	Fixed-rate/fixed-term, non-amortizing
Expander Option Exercise Date	One future date specified at origination when you can choose to expand the initial advance. This option date can be from 3 months to 5 years from the initial advance origination.
Expander Option Execution	<ul style="list-style-type: none"><li>▪ Notify Member Services at 844.FHL.BANK on or before 5 business days prior to the expander option exercise date</li><li>▪ Ability to exercise the expander option in whole or in part, but may not exceed the expander amount</li></ul>

### Why use an Expander Advance?

- An Expander Advance provides you the option of future funding at current rates, which limits your exposure to rising interest rates.
- Replace deposits that may run-off due to higher rates.

### Can an Expander Advance be prepaid?

Yes. Expander Advances are prepayable. The prepayment fee, if any, will be calculated in accordance with the Member Products and Credit Policy in effect at the time the advance was originated.

### Can I obtain an Expander Advance for CIP / EDP?

No. Because the expander option date can be from three months to five years from the initial advance origination it may be inconsistent with certain CICA requirements. Contact Member Services at 1.844.FHL.Bank or [member.services@fhlb.com](mailto:member.services@fhlb.com) for more information regarding CICA requirements.

### When are capital stock and collateral required to support the *expanded amount* of the advance?

Capital stock and collateral for the *expanded amount* of the advance will be assessed at the time the expanded amount is funded (i.e., the Expander Option Exercise Date).

### How do I obtain an Expander Advance?

Contact Member Services at 1.844.FHL.Bank or [member.services@fhlb.com](mailto:member.services@fhlb.com). This advance is not available on SecureConnect.

### Where do I find additional information on the Expander Advance?

Contact Member Services at 1.844.FHL.Bank or [member.services@fhlb.com](mailto:member.services@fhlb.com) or see [fhlb.com](http://fhlb.com).