FHLBANK DALLAS

# Prepare for Rising Rates

## Lock in a Low Rate Today on an Advance That Settles in the Future

A Forward-Starting advance enables a member to take advantage of the current low-interest rate environment by locking in a rate today for an advance that settles at a future date. A Forward-Starting advance could be beneficial for members who currently have sufficient liquidity but would like to take advantage of historically low rates, and prepare for potential rising rates in a strengthening economy.

## When to Consider a Forward-Starting Advance?

*Your view is that future rates will be higher than the forward rates already implied by the advances curve.*

## CIP/EDP Availability? Yes

The Forward-starting advance is subject to FHLB of Dallas standard credit and collateral policies as defined in the Member's Product and Credit Policy. Additionally, certain Forward-Starting advances are available with the Bank's Symmetrical Prepayment feature.

| Structure | |
|---|---|
| **Maturity Terms** | Maximum allowable terms for Fixed-Rate, Fixed-Term and Principal-Amortizing (PRAM) advances |
| **Minimum Transaction Size** | No minimum up to 10 years $5 million minimum when:<br>a) Terms are beyond 10 years<br>b) Includes a symmetrical Prepayment feature |
| **Settlement** | Available for up to 3 years<br>Longer periods may be available upon request by contacting Member Services Desk at 844.FHL.BANK |
| **Capital Stock** | Capital Stock is not required until the settlement date |
| **Prepayment Fees** | If the Borrower cancels the advance commitment in whole or in part, FHLB Dallas will charge the Borrower a cancellation fee equal to any prepayment fee that would have applied had FHLB Dallas funded the advance and the Borrower had then immediately prepaid the advance plus 25 basis points for each year of the advance term multiplied by the balance of the advance. |
| **Availability and Pricing** | Contact Member Services Desk at 844.FHL.BANK |

FHLB Dallas does not act as a financial advisor. Member institutions should evaluate the suitability and risks of products and services offered by FHLB Dallas.

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## BENEFITS

- Replace brokered CD funds with more competitively priced FHLB of Dallas funds
- Match-fund and hedge against future rate increases
- Prepare for a rising-rate market environment
- Lock in rates today to renew future maturing advances

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

**Member Services Desk**
844.FHL.BANK
member.services@fhlb.com

Scan with QR code app on cell phone.