

A Better Way to Collateralize Public Unit Deposits

Fluctuating Balance Letters of Credit

A Fluctuating Balance Letter of Credit may offer you greater flexibility and potential cost savings when compared to Direct Standby or Custodial LOCs. With the Fluctuating Balance LOC from FHLB Dallas, fees are based on the average amount of the LOC used and are billed quarterly in arrears. Up-front fees are eliminated.



BENEFITS

- Provides a lower-cost alternative to traditional letters of credit
- Frees marketable securities for liquidity purposes
- Offers a flexible way for public units to mitigate risk

Structured to Meet Your Needs

Members with tax-related deposits from public entities, such as counties, municipalities, school or hospital districts, can experience seasonal fluctuations in those deposits. The Fluctuating Balance LOC allows you the flexibility to manage seasonal deposits while offering the flexibility to pay as you go on the usage you require. Fees for the Fluctuating Balance LOC feature are charged on the deposit balances rather than the notional amount of the LOC.

Terms at a Glance

- Available for single and multiple public unit depositors
- Issued in notional amounts of at least \$25 million
- Available with maturities from one day to 15 years
- Billed quarterly in arrears

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

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Scan with QR code app on cell phone.

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