# Lock-in Spread on Construction-to-Permanent Loans
Floating-to-Fixed Funding Strategy

The Floating-to-Fixed funding strategy from FHLB Dallas provides the flexibility to match your funding needs for construction-to-permanent loans. Lock-in your spread today with loan parameters that fit your needs.

Hypothetical Example: Match-fund a construction-to-permanent loan using the Floating-to-Fixed Funding Strategy
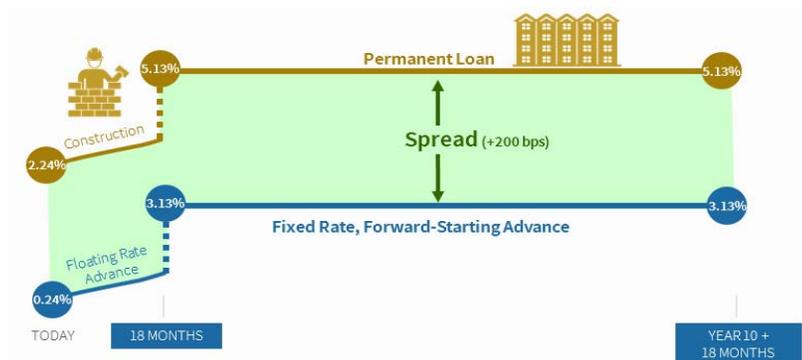
Hypothetical rates/spreads assume a floating-rate advance based on a 1-month LIBOR index and a fixed-rate, 20 -year principal amortizing advance with a 10-year balloon, forward-starting in 18 months.

How It Works

The Floating-to-Fixed funding strategy combines a Floating-Rate advance with a Fixed-Rate, Forward-Starting advance into a one-close transaction.

- **Floating-Rate Advance:** Floats at a spread to LIBOR or FHLB Discount Notes
- **Fixed-Rate, Forward-Starting Advance:** Scheduled to settle on the maturity date of the Floating-Rate advance, ensuring funding continuity

Benefits

The Floating-to-Fixed funding strategy:

- Allows you to be competitive by enabling you to match-fund construction-to-permanent loans with your customers
- Is customizable to meet your needs. You choose the tenure and floating-rate index
- Enables you to mitigate risk by determining the variables up front and locking-in your spread

Terms

For terms and advance types, see the "Advances Products Guide" in the Guides and Forms section of the Resource Center on *fhlb.com*.

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

BENEFITS

- Be competitive in offering construction-to-permanent loans
- Lock-in a rate and protect your margin in a rising-rate environment
- Customize periods of floating and fixed rates
- Choose the index of the Floating-Rate advance

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

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