



Putable Advances

AVAILABLE TERM:
1 to 15 years

LOCKOUT PERIOD:
3 months to 5 years

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LOWER YOUR BORROWING COST WITH A NEW PUTABLE OPTION FROM FHLBANK TOPEKA.

We are pleased to introduce the regular fixed putable advance.

In finance, a put option allows the buyer the right to unwind the transaction within a specified time frame. In the case of putable advances, FHLBank has the right to put (or call away) the advance at a predetermined time.

Like our former convertible advance, you lock in at a lower rate compared to traditional bullet advances by essentially selling the put options to FHLBank.

The advance is likely to be called when rates have risen, and less likely to be called when rates move lower.

COMMON USES

- Complements your deposits when used for overall balance sheet funding
- Lowers the overall cost of borrowing versus like-term bullets
- Provides a strong alternative to brokered deposits

HOW DOES THE PUTABLE ADVANCE WORK?

Example structure: 5 year/1 year

- The rate will be fixed until the end of the lockout period of 1 year.
- At the end of the lockout period, FHLBank holds one or multiple options to call the advance
 - European style - one option
 - Bermudan style - quarterly options
- If FHLBank **calls the advance**, it will prepay and you can take down replacement funding if desired.
- If FHLBank chooses **not to call the advance**, it remains at the initial fixed rate until the next option date or through its stated maturity.

RATE COMPARISON (as of May 30, 2023)

Traditional Bullet Structures			Putable Structures	
1yr Bullet	5yr Bullet	10yr Bullet	5yr/1yr Bermudan	10yr/1 yr Bermudan
5.57%	4.17%	4.48%	3.59%	3.12%