



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Standby Irrevocable Letter of Credit Application

Institution: _____

Address: _____

Pursuant to, and subject to, the terms of its Master Transaction Agreement and its Advance, Pledge and Security Agreement with the Federal Home Loan Bank of Topeka (FHLBank), the undersigned Institution hereby applies for a standby irrevocable letter of credit for the Institution's account in the amount of \$_____.

In accordance with FHLBank policy governing fees for letters of credit, the FHLBank is hereby authorized to charge the Institution's demand deposit account number _____ for the fees associated with this letter of credit (subject to minimum fees as identified in FHLBank's Member Products and Services Guide). If the letter of credit to be issued hereunder is for a term greater than one year, the FHLBank is further authorized to charge the Institution's demand account for the required fees on each anniversary date.

You are instructed to issue the letter as follows:

1. Date letter of credit is to be issued: _____

2. In favor of:

Beneficiary's full name: _____

Beneficiary's full physical address: _____

Beneficiary's contact name: _____

Beneficiary's phone number: _____

Beneficiary's email: _____

3. Available: (check one)

☐ without conditions

☐ with conditions (specify conditions below)

Conditions will be stated in the Drawing Certificate used by the Beneficiary when making draws under the letter. The FHLBank, however, has no duty or obligation to investigate whether the conditions stated in the Drawing Certificate are true.

Conditions permitting a draw and/or other special instructions:

4. Expiration date of the letter of credit: _____ (Must be a valid business day.)

5. Multiple draws are to be: (check one)

☐ permitted

☐ prohibited

(If permitted, the unused balance of the letter of credit will remain available until the stated expiration date.)

Certification:

Please indicate the purpose for which the letter of credit will be used: (check one of the five)

☐ **Public unit deposit collateralization**

Definition: Public unit deposit collateralization is the pledging of collateral to a public unit's deposit to ensure that the public unit is able to recover any losses, should the financial institution become insolvent or otherwise unable to cover the unit's funds. A public unit includes the United States, any state within the United States, the District of Columbia, any territory of the United States, a Native American tribe, counties, cities, school districts, and any other public unit.

☐ **Facilitating residential housing finance**

Definition: Facilitating residential housing finance means assisting: (1) the purchase or funding of "residential housing finance assets," as that term is defined in [12 U.S.C. 1266.1](#) or (2) other activities that support the development or construction of residential housing.

☐ **Facilitating community lending (CICA approval required)**

Definition: Facilitating community lending means: (1) providing financing for economic development projects for targeted beneficiaries, or (2) for community financial institutions (as defined in [12 U.S.C. 1263.1](#)), purchasing or funding small business loans, small farm loans or small agri-business loans (as defined in [12 U.S.C. 1266.1](#)).

☐ **Asset/liability management** (please further describe the purpose of the letter of credit below)

Definition: Asset and liability management means managing assets and liabilities to increase profitability, maintain safety and soundness, and/or to control and mitigate the risks associated with mismatched assets and liabilities.

☐ **Liquidity or other funding** (please further describe the purpose of the letter of credit below)

Definition: Liquidity is a financial institution's capacity to meet its cash and collateral obligations without incurring unacceptable losses. Liquidity enhances an institution's financial condition, its safety and soundness, and its ability to meet contractual obligations.

The undersigned is an authorized representative of the Institution and has read and understands the Member Products and Services Guide of the FHLBank and certifies the Institution to be in full compliance with it and all laws and regulations regarding the collateralization of deposits. Furthermore, the Institution agrees to maintain full compliance

with the Member Products and Services Guide, including any revisions and changes to same, while the letter of credit is outstanding.

By: _____
Authorized Signature

Typed Name and Title

Date: _____