FHLBank Topeka

Advance Product Comparison

PRODUCT	TERM	RATE	PREPAYMENT OPTIONS	COMMON USES
Overnight Line of Credit **Floating rate, non-amortizing, non-prepayable** **(min. draw: $100,000)**	One day, with automatic daily renewals of the outstanding balance	Rate reprices daily based on FHLBank's cost of funds	Non-prepayable	■ Daily cash needs. ■ Ongoing & contingent liquidity ■ Mortgage banking operations
Short-term Fixed Rate Advances **Fixed rate, non-amortizing** **(min. amount: $100,000)**	Three to 93 days	Fixed rate of interest for selected advance maturity	Non-prepayable	■ Unanticipated cash needs ■ Alternative to Fed Funds purchased, repurchase agreements and brokered deposits ■ Mortgage banking operations ■ Seasonal funding needs
Regular Fixed Rate Advances **Fixed rate, non-amortizing** **(min. amount: $10,000)**	94 days to 360 months	Fixed rate of interest for selected advance maturity	Regular fixed rate – prepayable in full/part with a fee Regular fixed rate callable– prepayable in full/part without fee at specific intervals. Advanced notice is required.	■ Seasonal funding needs ■ Construction loans ■ Origination/purchase of fixed rate mortgages/securities ■ Match funding a specific asset or portfolio of assets ■ Asset/liability and interest rate management
Symmetrical Fixed Rate Advances **Fixed rate, non-amortizing** **(min. amount: $2.5 million)**	94 days to 360 months	Fixed rate of interest at slight premium for selected advance maturity	Prepayable in full and equals present value of advance spread plus (cost)/minus (benefit) resulting from underlying swap. Net benefit paid by FHLBank limited to 10% of advance principal.	■ Offset investment portfolio losses with gain on advance in rising rate environment ■ Hedge Held to Maturity portfolio ■ Reposition balance sheet with minimal expense
Forward Settling Advance Commitments **Fixed rate, non-amortizing or amortizing** **(min. amount: $500,000)** *Requests for FSA commitments should be made before noon CT.*	1 day to 24 months commitment period Disburse on commitment's scheduled expiration date 94 days to 360 months	Fixed rate of interest at premium for selected advance maturity	Termination fee if FSA not disbursed in full. Regular fixed rate – prepayment in full/part with a fee Regular fixed rate callable – prepayment in full/part without fee at specific intervals. Advance notice required.	■ Fund loans with delayed disbursement ■ Fund permanent portion for construction permanent loans ■ Lock in current rates without adding liquidity ■ Hedge future interest rate increases
Callable Advances **Contains member call options every six months that allow for prepayment without a fee** **(min. amount: $10,000)**	Fixed Rate: 12 to 360 months	Fixed rate of interest for selected advance maturity	Prepayment in full/part without a fee at specific intervals throughout life of advance	■ Seasonal funding needs ■ Origination/purchase of fixed rate mortgages or securities ■ Match funding of a specific asset or portfolio of assets ■ Asset/Liability and interest rate risk management
Amortizing Fixed Rate Advances **Fixed rate, amortizing with predetermined principal payments. Principal payment streams may be structured to meet any funding need.** **(min. amount: $10,000)**	12 to 360 months Principal payments may be amortized on any pre-determined fixed schedule, with or without balloon payment.	Fixed rate of interest for selected advance maturity.	Amortizing Fixed Rate - prepayment in full with a fee. Amortizing Fixed Rate Callable – prepayment in full without a fee at specific intervals with advance notice 9 business days prior to scheduled call dates.	■ Origination/purchase of fixed rate mortgages, commercial loans, or securities ■ Match funding of specific asset or portfolio of assets ■ Asset/liability or interest rate risk management

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SOFR-indexed Adjustable Rate Advances	4 to 120 months	Adjustable rate indexed using the Secured Overnight Financing Rate (SOFR)	Prepayment is permitted in full or in part on rate reset dates with one business day notice. Fee is dependent on present value of the difference of scheduled interest payments to be paid and those to be collected.	■ Match the maturity of various financial instruments. ■ The SOFR index provides rate resets that correlate well with other short-term indices.
SOFR-indexed Adjustable Rate Callable Advances	12 to 60 months	Adjustable rate indexed using the Secured Overnight Financing Rate (SOFR)	Prepayment in full/part without a fee at specific intervals throughout life of advance.	■ Fund adjustable-rate loans and other interest rate sensitive assets with similar maturities and repricing characteristics ■ Reduce the potential impact of widening credit spreads on your funding cost by using advances indexed to SOFR, which is a near risk-free reference rate
Putable Advances **Non-amortizing; contains options FHLBank can exercise**	12 to 180 months	In exchange for selling an option (European) or a strip of options (Bermudan) to FHLBank, the advance is priced below the rate for a fixed rate advance with the same maturity.	If FHLBank exercises its put option, this advance must be prepaid in full, without a fee, on the put date. See FHLBank's *Member Products and Services Guide* for full prepayment guidelines.	■ 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

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