

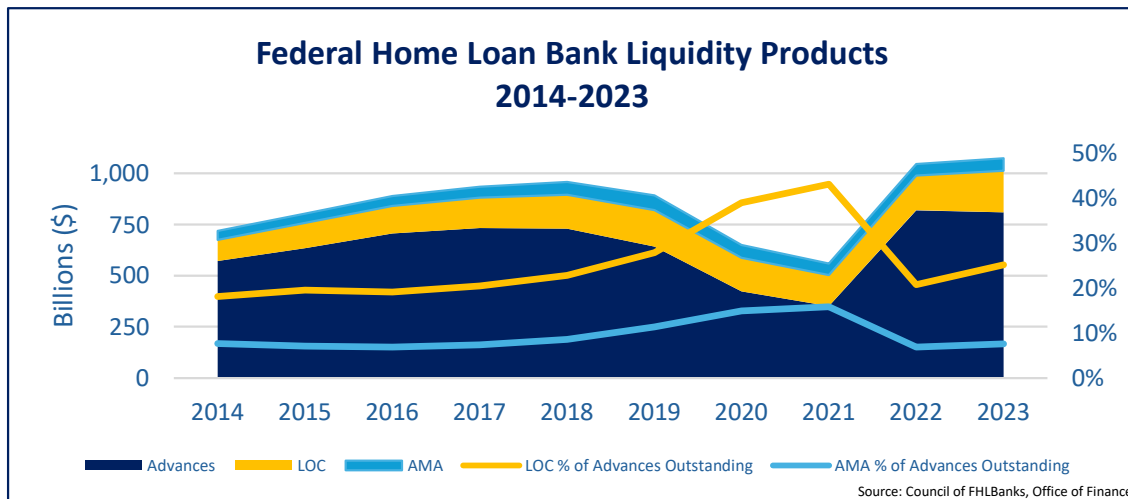
Get to know the FHLBanks and their role in the U.S. Financial System

DID YOU KNOW?

The FHLBanks offer a range of liquidity products, including advances, letters of credit (LOCs), and Acquired Member Assets (AMA) programs.

HOW DOES IT WORK?

- FHLBank advances (loans) represent the primary source of liquidity provided to members and account for the largest dollar value of liquidity products.
- LOCs and AMA programs offer alternative sources of liquidity and are countercyclical; their percentage share of liquidity products grows as the share of advances declines.



- LOCs
 - Are guarantees on behalf of members to a third party, often used to secure public unit deposits (e.g., from municipalities) or to support other financial obligations.
 - LOCs are secured by high quality collateral, and LOC liquidity is flexible and reliable, helping members effectively manage liquidity and support housing and community development.
- AMA Programs
 - Authorize the FHLBanks to purchase mortgage loans (principally, conforming residential mortgages) from members, providing them with access to the secondary market.
 - Allow members to transfer liquidity risk, interest-rate risk, and prepayment risk to their FHLBank (especially beneficial to small and mid-size mortgage originators), while retaining servicing income and connection to the borrower.

Advances, LOCs, and AMA programs enable the FHLBanks to fulfill their mission of providing liquidity and supporting a stable housing finance system.

FHLBank members have multiple options for obtaining the liquidity they need!