



## CREDIT PRODUCT DESCRIPTIONS

Whatever your specific funding needs, the HLB has a credit product designed to meet your objectives. Members can customize advances with a wide variety of maturities and structures, enabling you to conservatively match assets and liabilities. HLB advances can be customized by size, settlement date, amortization schedule, call/put options, and more.

### Overnight Line of Credit ("OLOC")

A quick source of liquidity to help manage deposit levels and provide funding for various short-term uses

Advantages:

- Same-day access to funds for immediate cash needs
- Low application and annual maintenance fees
- Interest rate based on current Federal Funds rate

### Variable-Rate Advance

Flexible, same-day funding to manage short-term liquidity needs

Advantages:

- No-fee funding for immediate cash needs
- 1- to 364- day advance
- Maximum flexibility at a competitive price

### Repo Advance

Obtain competitively priced funds when using Treasury or Agency issued Mortgage-Backed, or CMO securities collateral

Advantages:

- Effectively utilize your securities portfolio as collateral
- No penalties for pledging smaller blocks of securities
- Receive the same low rates for AAA-rated Agency and Non-Agency securities
- Maturities from 2 days to 5 years

### Fixed-Rate Advance

Achieve a wide variety of financial management goals, with maturities ranging from 2 days to 30 years

Advantages:

- Meet liquidity needs
- Fund long-term assets or lock in rates for future funding purposes
- Forward start dates are available

### Convertible Advance

A wide array of maturities and lockouts for medium- to long-term funding where the HLB owns an option to terminate the advance at specified times

Advantages:

- Priced lower than regular advances
- Customize maturities from 2 to 10 years and lockout periods from 3 months to 7 years
- One-time, quarterly or customized option exercise
- Customized strikes are also available

### Amortizing Advance

Match the amortization characteristics of your fixed-rate mortgage portfolio

Advantages:

- Enhance match funding of long-term assets
- Borrow fixed-rate funds with the option of customizing the amortization schedule to match a selected prepayment profile
- Maturities and amortization schedule from 1 to 30 years

### Adjustable-Rate Credit ("ARC") Advance

Match the interest rate characteristics of your adjustable-rate loan portfolio

Advantages:

- Reduce basis risk by funding adjustable rate assets with financing tied to the same repricing index
- Can be tailored to meet specific financing needs with a wide range of maturities, up to 30 years
- Can be linked to a wide variety of indices, including 1-, 3-, and 6-month LIBOR, Treasury bills, and Fed Funds (Fed Funds Floating Rate Advance)
- Limit exposure to rising rates by using an embedded rate cap
- Can be structured as callable (by member)

### Letters of Credit ("L/C")

Support liquidity, asset/liability management, and housing and economic development activities

Advantages:

- Triple-A-rated guaranteed payments to third parties in the event of a default of performance by a member
- Low-cost, more efficient way to collateralize state and local government deposits
- Provides credit enhancements for a variety of transactions
- Available at a discounted price to facilitate transactions that promote eligible housing and community development activities
- Maturities from 2 weeks to 10 years

In addition to these credit products, the HLB offers a wide range of other advances, such as Callable Fixed-Rate Advances, where the borrower has the option of prepaying funding without any penalty, and Strip Advances, which permit members to achieve funding flexibility by closely matching the cash flows between the strip advance and mortgage assets. Contact a Calling Officer at (212) 441-6700 for more information.