



## FHLB NY MUNICIPAL LETTER OF CREDIT (MULOC)

### Form a Strategic Alliance with an FHLB NY MULOC

As a key partner in financing, the Federal Home Loan Bank of New York (FHLB NY) issues triple-A-rated Letters of Credit (L/C) on behalf of its members to support liquidity, asset/liability management, and housing, community, and economic development activities. An FHLB NY L/C is a promise, made at the request of a member, to make payments to a third-party beneficiary in the event of a default of performance. Several states have amended their laws to permit the use of FHLB NY L/Cs as eligible collateral.

The Municipal Letter of Credit (MULOC) product is specifically designed for the collateralization of state, city, court, or local government (municipal) deposits. A Refundable MULOC is offered as a flexible option to account for municipal deposit balance fluctuations in transactional accounts. Refundable MULOCs provide for better collateral management, eliminate the need for multiple forms of collateral, and allow for a partial fee reimbursement if it is not fully utilized.

### Benefits and Uses of an FHLB NY MULOC

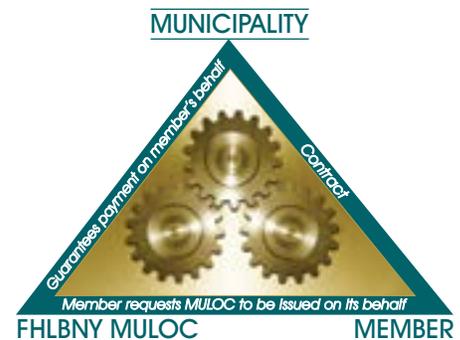
*When MULOCs are used to collateralize your deposits, they:*

- » Maximize the earnings on securities currently pledged by reinvesting into higher-yielding assets
- » Reduce the operational expense associated with monitoring deposits
- » Eliminate the need to match securities and monitor margin calls
- » Allow for the pledging of securities elsewhere (i.e., for advances) to reduce cost of funds
- » Offer the option to collateralize transaction accounts more efficiently by allowing for a partial fee reimbursement when the MULOC is not fully utilized (Refundable MULOC)

Check out the MULOC section on our website at [www.fhlbny.com/LC/mulocs.aspx](http://www.fhlbny.com/LC/mulocs.aspx).

To discuss how this tri-party agreement can directly benefit your bottom line, contact a Calling Officer at (212) 441-6700.

\*Please note certain term restrictions and pricing adjustments may be applied based on a member's FHLB NY credit score or CAMELS rating.



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