



## THE CALLABLE ADVANCE

### Flexible Funding for Challenging Times

The Callable Advance is a Fixed-Rate Advance that gives members the option of calling (terminating) the advance on predetermined dates, prior to maturity, without incurring a prepayment fee. The added flexibility that the Callable Advance offers can help meet members' changing liquidity needs and assist with asset/liability management.

#### Example: 5NC1 Bermudan Callable (5-year, non-callable 1-year)

A 5-year advance that permits a member to call the advance (in whole or partially), without penalty, 1 year from the origination date, or quarterly thereafter, with nine business days' notification.

#### FEATURES:

- » Minimum Advance size: \$5 million per trade
- » Call options: Bermudan (quarterly) or European (one-time)
- » Required notification time to exercise call option: nine business days
- » Lockout periods: 1, 2, 3 or 5 years
- » Final maturities available: 3, 5, 7, or 10 years
- » Interest payment: quarterly based on an Actual/360 day count

#### BENEFITS:

- » Can be used as a hedging tool against mortgage loan prepayment risk and interest rate risk
- » Ability to take advantage of downward movements in interest rates
- » Ability to closely fund fixed-rate mortgages and commercial loans held in portfolio
- » No prepayment fee when called on specified date(s)
- » Whole loan and security collateral is acceptable
- » Can help with liquidity management
- » Fixed rate for the life of the advance
- » Competitively priced

For more information on how our new Callable Advance can help meet your institution's funding needs, contact a Relationship Manager at (212) 441 - 6700 or Member Services Desk at (212) 441 - 6600.

**Note:** In order to use Callable Advances, a member must complete a product disclosure certification agreement. The FHLBNY will require this agreement to be re-executed every 2 years. Prior to executing a trade, the member must also attest to observing and understanding the pre-disclosure examples posted on the FHLBNY's public website. Members will be sent a confirmation letter upon completion of a transaction.

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