

FHLBank Atlanta Credit Products For your borrowing needs, call the Funding Desk at 800.536.9650 ext. 8011

	Program	Description	Maturity	Pricing	Prepayment Penalty	Interest Calculation	Common Uses
Variable Rate Products	DRC	Daily Rate Credit provides overnight or short-term funding. (FHLBank Atlanta equivalent of Fed Funds).	One day to 12 months. If balance is held upon maturity, member must renew to keep outstanding. 24 months available, subject to approval.	Reset daily, tied to Fed Funds market.	No	Actual/360 days. Payable monthly on the first business day of the month and at maturity.	Manage daily funding needs. Liquidity.
	ARC	Adjustable Rate Credit provides intermediate and long-term funding at a floating rate, usually tied to one-month or three-month LIBOR.	Minimum maturity of 3 or 6 months (depending on index). Maturities available up to 10 years.	Resets at specified intervals and expressed as a spread to an index, usually to LIBOR.	Yes , the greater of 5 bps per annum or the difference between the original spread to 3-month LIBOR on the advance and the current spread to 3-month LIBOR for a new ARC advance issued on the date of repayment.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Fund floating rate loans. Manage interest-rate risk.
	Prime-Based	Prime-Based advance provides intermediate and long-term funding at a floating rate tied to PRIME.	Minimum of 6 months. Maturities available up to 10 years.	Minimum requirement for same day trade: \$5 million. Expressed as a spread to PRIME index.	Yes , 25 bps per annum.	Actual/360 days. Payable quarterly based on maturity date.	Fund floating rate loans. Manage interest-rate risk.
Fixed Rate Products	FRC	Fixed Rate Credit provides fixed-rate funding until the stated maturity.	One month to 10 years. FHLBank Atlanta can offer longer maturities, subject to available funding.	Fixed on or before the funding date.	Yes , calculated based on market rates at the time of prepayment versus borrower's advance rate.	Maturities of 12 months or less: Actual/360 days; Maturities greater than 12 months: Actual/Actual days. Interest payable monthly-based on maturity date.	Fund fixed-rate loans and securities. Manage interest-rate risk. Supplement retail deposits.
	PRC	Principal Reducing Credit provides fixed-rate funding to the final specified maturity, with provisions for principal reductions. Amortization can be equal payments or structured with an amortization similar to a mortgage.	Up to 20 years with amortization periods of up to 30 years. FHLBank Atlanta can offer longer maturities subject to available funding.	Fixed on or before the funding date at the weighted average rate for FRCs maturing on the same scheduled principal reduction dates.	Yes , same as FRC.	Maturities of 12 months or less: Actual/360 days; Maturities greater than 12 months: Actual/365 day. Interest payable on reduction date and at maturity.	Match fund loans (or pool of loans) as well as investments that have periodic repayment of principal.
Structured Products	Convertible	Convertible Advance is a fixed-rate advance that offers a lower rate for selling FHLBank Atlanta an option to convert to a floating rate on a designated date after a specified lockout period. The conversion option may be European (one time only) or Bermuda (at regular stated intervals until maturity).	Contract terms up to 15 years.	Minimum requirement for same day trade: \$5 million. Fixed on or before the funding date.	Yes , the cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Liquidity. Macrofund balance sheet. Fund specific assets. Manage asset/liability position.
	Convertible Flipper	Convertible Flipper is an advance whose rate initially floats at a spread below LIBOR and then changes to a fixed-rate, if the advance is not converted by FHLBank Atlanta. Options may be European or Bermuda.	Contract terms up to 15 years.	Minimum requirement for same day trade: \$5 million. Fixed on or before the funding date.	Yes , the cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Liquidity. Macrofund balance sheet. Fund specific assets. Manage asset/liability position.
	FRC Hybrid	Fixed-rate Credit Hybrid provides fixed-rate funding until the stated maturity with a one-time option to embed caps or floors.	Minimum of 6 months. Maturities available up to 10 years. FHLBank Atlanta can offer longer maturities, subject to available funding.	Minimum requirement for same day trade: \$5 million. Fixed on or before the funding date.	Yes , the cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Fund fixed-rate loans and securities. Manage interest-rate risk. Maintain flexibility.
	Convertible Knockout	Convertible Knockout Advance is a fixed-rate advance, subject to a conversion to a floating rate if LIBOR reaches a specified strike rate. The conversion option may be European or Bermuda.	Contract terms up to 15 years.	Minimum requirement for same day trade: \$5 million. Fixed on or before the funding date.	Yes , the cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Liquidity. Targeted protection from rising rates. Macrofund balance sheet. Fund specific assets. Manage asset/liability position.

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Structured Products	Expander	Expander Advance is a fixed-rate loan with the ability to double the original principal amount at the original rate and maturity date on a specified date. The option may be European or Bermuda. Other expander options are available.	Contract terms up to 20 years.	Minimum requirement for same day trade: \$5 million. Fixed on or before funding date.	Yes , cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Duration hedge to long-term assets while retaining some liability sensitivity. Replacement of deposit runoff in rising interest-rate environment at lower fixed funding rate.
	Reducer	Reducer Advance is a fixed-rate advance where the member can embed multiple options	Contract terms up to 20 years.	Minimum requirement to trade: \$5 million. Fixed on or before the funding date.	Yes , cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Offers flexibility in hedging portfolio risk.
	Callable	Callable Advance is a fixed-rate advance, which the borrower may prepay on specified dates with no penalty. The prepayment option may be European or Bermuda.	Contract terms up to 10 years.	Minimum requirement for same day trade: \$5 million. Fixed on or before the funding date.	No , if paid on specified prepayment dates.	Actual/360 days. Interest payable quarterly or monthly, based on index.	Same as for FRC, but with additional ability to lower funding costs if rates decline and prepayments on loans or securities increase.
	Embedded Cap or Floor	Interest Rate Caps or Floors can be built into ARC advances. If cap is purchased, advance is capped at the strike rate. If floor is purchased, advance rate falls 2 bps for every 1 bp decline below strike, not to decline below zero.	At stated maturity with available terms up to 10 years.	Minimum requirement to trade: \$5 million. Expressed as a spread, usually to LIBOR.	Yes , cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable on rate reset dates.	Fund floating-rate loans. Protects against rising or falling interest rates.
	Embedded Corridor	Embedded Corridor can be embedded in an ARC advance. The index to which the advance rate floats is capped through a specific zone. The spread to the index reflects the net cost between the sale of one cap and the purchase of another cap.	At stated maturity with available terms up to 10 years.	Minimum requirement to trade: \$5 million. Expressed as a spread, usually to LIBOR.	Yes , cost is equal to the cost of unwinding the underlying hedge.	Actual/360 days. Interest payable on rate reset dates.	Fund floating-rate loans. Protect against rising interest rates.
Derivative Products	Interest Rate Swap	Interest Rate Swap is a product that offers a wide range of competitively priced swap structures with FHLBank Atlanta as the counterparty.	Contract terms up to 20 years.	A spread to an index on the floating side of the transaction and a fixed-rate on the other.	Yes , fee based on the market value of the swap at termination.	Actual/360 days. Interest payable/ receivable as established in the contract.	Manage interest-rate risk.
	Stand-alone Cap/Floor	Interest Rate Cap or Floor is a transaction between FHLBank Atlanta and its member wherein the member pays an upfront premium for the right to receive periodic payments from FHLBank Atlanta if the specified index rate rises or falls outside the predetermined strike rate.	Contract terms up to 20 years.	Market driven, expressed as number of basis points and applied to notional amount, payable at inception of contract.	Yes , based on market value of the cap or floor at termination.	Actual/360 days. Interest payable/receivable is established in the contract.	Protect against rising or falling interest rates.
	Stand-alone Corridor	Stand-alone Corridor refers to the purchase of one interest-rate cap and the simultaneous sale of another interest-rate cap, thereby purchasing a zone of protection. The member pays an upfront premium for the right to receive periodic payments from FHLBank Atlanta if the specified index rate falls in the zone or a lesser periodic payment when the specified index moves beyond the zone.	Contract terms up to 10 years.	Market driven, expressed as number of basis points and applied to notional amount, payable at inception of contract.	Yes , based on market value of caps at termination.	Actual/360 days. Interest payable/ receivable is established in the contract.	Protect against range of rising interest rates.
Other Products	Letters of Credit	Letters of Credit issued by FHLBank Atlanta, on behalf of a member, can be used for a variety of purposes such as securing public unit deposits, confirming member letters of credit, or securing other member obligations.	Available terms up to 10 years.	Tiered pricing based on notional amount. Special 8 bp pricing when used for public unit deposits. Fee billed up-front and annually thereafter.	No , any unused fee is prorated back to the member. Only the beneficiary may cancel an LOC prior to maturity.	Refer to pricing.	Member pledges eligible loan collateral to FHLBank Atlanta and FHLBank Atlanta in turn pledges its letter of credit to secure member obligations. Provides credit enhancement for bond issues. Liquidity.