

Fixed Rate Credit Hybrid Advance



FHLBank Atlanta's Fixed Rate Credit (FRC) Hybrid advance offers fixed-rate funding through a stated maturity with two key advantages: symmetrical prepay and the one-time option to embed an interest rate cap or floor.

The advance provides an additional benefit of allowing you to capture the net present value (NPV) on the advance. You can roll the NPV into a restructured advance – a positive NPV would reduce the rate of the new advance while a negative NPV would increase the rate.

Common Uses

- Fund fixed-rate loans and securities
- Manage interest-rate risk while maintain flexibility
- Supplement retail deposits

Comparing FRC Hybrid to FRC

	FRC Hybrid	FRC
Interest payment	Monthly or quarterly	Monthly
Accrual	Actual/360 days	Maturities 12 months or less: actual/360 days Maturities greater than 12 months: actual/actual
Minimum trade	\$1 million	N/A
Options	One-time option to embed cap or floor	N/A
Prepayment	Symmetrical	Non-symmetrical

Terms:

- **Maturity:** Generally range from one year to 10 years.
- **Pricing:** Interest rate is fixed on or before the funding date.
- **Minimum advance amount:** \$1 million; \$5 million for same-day pricing.
- **Funding:** Funding generally is available two Bank business days after the pricing date.
- **Interest:** Interest is calculated on an actual/360 day basis, payable monthly or quarterly.
- **Prepayment:** Prepayment fee generally is equal to the Bank's cost of unwinding the transaction.
- **Option:** One-time option to add interest rate cap or floor.

For rates and additional information, call the Funding Desk at 1.800.536.9650, extension 8011.

The Federal Home Loan Bank of Atlanta is not a registered investment advisor. Nothing herein is an offer to sell or a solicitation of an offer to buy any securities or derivative products. You should consult your own legal, financial, and accounting advisors before entering into any transaction. All rates are for illustrative purposes only and indicative of the time this brochure was written.