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## LIBOR Cessation: Collateral Eligibility Changes

The ICE Benchmark Administration will cease publication of the remaining U.S. dollar London Interbank Offered Rate (LIBOR) settings after June 30, 2023. This event will represent the cessation of LIBOR for use as a benchmark interest rate and the conclusion of the multi-year LIBOR phase out.

As a result of the LIBOR cessation, FHLBank Atlanta (Bank) will change its collateral policy to discontinue the acceptance of the following types of collateral members can report to secure borrowings and other exposure to the Bank:

- Loan collateral that remains indexed to a LIBOR-based interest rate **published after June 30, 2023**, including loan collateral indexed to synthetic LIBOR-based interest rates
- Securities collateral that remains indexed to a LIBOR-based interest rate **published after June 30, 2023**, or securities with underlying loans remaining indexed to a LIBOR-based interest rate **published after June 30, 2023**, including securities indexed to synthetic LIBOR-based interest rates

**Loans and securities meeting the above conditions will not be eligible collateral after the June 30, 2023, collateral reporting cycle.**

The Bank has been working with members over the last several years to prepare for the LIBOR transition and expects the impacts of this policy change on member lendable collateral value to be minimal. Pledged collateral is anticipated to have a smooth transition away from LIBOR either through existing adequate fallback language or provisions of the federal [Adjustable Interest Rate Act \(LIBOR Act\)](#).

We encourage you to continue executing your LIBOR transition plans in anticipation of the June 30 phase out. On April 26, financial institution regulators issued a [joint statement](#) reiterating their expectations that institutions with LIBOR exposure should complete their transition of remaining LIBOR contracts as soon as practicable and prepare for an orderly transition away from LIBOR by June 30, 2023.

If you have questions, please review our [Frequently Asked Questions](#) or contact your [collateral relationship specialist](#) at **800.536.9650**.



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