

# General Balance Sheet Funding with Callable SOFR Advances

## Fixed-Term, Floating-Rate, Non-Amortizing, Callable Advances

The Callable SOFR Advance is intended to serve as an alternative to the Bank Term Funding Program (BTFFP) loans. The Callable SOFR Advance is a fixed-term, floating rate, non-amortizing advance that is indexed to the Secured Overnight Financing Rate (SOFR) that is published each business day by the Federal Reserve Bank of New York (New York Fed) and is a measure of the cost of borrowing cash overnight that is collateralized by Treasury securities. This advance has maturities up to 5 years and will have a call frequency of one time or quarterly without penalties at set dates.

### What is a Callable SOFR Advance?

- An alternative to BTFFP Loans
- Two different callable options:
  - Callable SOFR Quarterly Optionality (Bermudan Option): 9 months to 5 years
  - Callable SOFR One-time Option (European Option): 6 months to 5 years
- No minimum transaction size
- Quarterly interest payments based on the settlement date

### How the Callable SOFR Advance's Interest Rate is Determined

- The interest rate resets daily and is based on the SOFR published each business day by the New York Fed
- The SOFR is based on the previous business day's repo transaction
- FHLB Dallas takes the published SOFR, referred to as the Reference Rate, and adds a spread to it to determine the SOFR interest rate for that day

### Benefits

- Replace costly deposits
- Replace brokered funds
- Locked-in spreads to the SOFR rate
- Ability to call the advance one time or quarterly without penalties at set dates

**For more information  
visit [fhlb.com](http://fhlb.com) or contact:**

### Member Services Desk

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#### Federal Reserve Bank of New York



#### FHLB Dallas



The Callable SOFR Advance's interest rate resets daily, except when an interest payment date or advance maturity date is approaching. The interest rate will freeze during the Rate Freeze Period, starting two days before a payment date.

#### FHLB Dallas

