

Long-Term, Fixed-Rate Advance (Bullet)

Features

The Long-term, Fixed-rate advance is tailored to meet a wide range of your asset/liability management needs. It is an effective tool to help you manage long-term lending and investment risks. Funds are available the same day with terms from 1 to 20 years.

Advantages

- Easy source of low cost alternative to retail deposits
- No insurance premiums or expensive market costs
- Excellent tool for asset/liability management
- Funds are available on a same-day basis

- Various terms and maturity dates available
- Competitively priced alternative to retail deposit market

Example

Looking for the most efficient source of funding, a member compared the costs and characteristics of its traditional CD portfolio with bullet advances. The member found that it could obtain term money at a cheaper price than possible in its retail market. This allowed the member to lower the rates it paid on retail CDs improving its overall cost of funds and funding any cash shortfalls. Additionally, the member could begin offering the longer-term loans its customers desired since it now had access to dependable long-term funding.

For more information about the Long-Term, Fixed-Rate Advance, please call the Money Desk at 800.544.3452, ext. 1013 or email moneydesk2@fhlbdm.com.

Certain restrictions apply. Please reference the Bank's Member Products Policy.

