

# Standby Letter of Credit Fee Schedule

The Bank offers two billing options for Standby Letters of Credit (SLOC).

## **Billing Option (A): Standard Billing for SLOC**

Upon issuance of a SLOC, the Bank charges a ***non-refundable fee*** which is calculated using the following formula: {Face Amount \* FEE \* (Term in Days/360)}

The FEE used in the above formula is based upon the Face Amount of the SLOC:

- 12.5 bps per annum for SLOC < \$20 MM
- 8.5 bps per annum for SLOC > or = \$20 MM but < \$50 MM
- 7.0 bps per annum for SLOC > or = \$50 MM but < \$100 MM
- 5.5 bps per annum for SLOC > or = \$100 MM

Under billing option (A) the Bank's minimum charge for any SLOC is \$125.

**SPECIAL NOTE:** Members using SLOC for the Bank's **Public Unit Deposit (PUD) program** will pay a fixed **FEE** of 12.5 bps per annum. There will be no tier pricing based on the face amount and the minimum charge will be \$125.

## **Billing Option (B): Average Daily Balance Billing (ADB)**

Members using Option B must meet the following conditions:

- The SLOC are issued to secure public unit deposits
- The Member's total outstanding SLOC balance with the Bank must be \$25MM or more

Under billing option (B) the Bank charges a ***non-refundable one time fee of \$125 per SLOC*** which is in addition to the monthly fee based upon the ADB of the public unit deposit accounts secured by the SLOC using the following formula: {ADB \* FEE \* (Term in Days/360)}

The monthly fee is based upon the previous month's ADB as shown below and subject to a **\$15 minimum fee per month per SLOC**

- 12.5 bps per annum for SLOC with an ADB < \$20 MM
- 8.5 bps per annum for SLOC with an ADB > or = \$20 MM but < \$50 MM
- 7.0 bps per annum for SLOC with an ADB > or = \$50 MM but < \$100 MM
- 5.5 bps per annum for SLOC with an ADB > or = \$100 MM

## **Billing Option (B) Please Note:**

- If a beneficiary has multiple SLOCs, the ADB will be applied based on the SLOC issuance date with the earliest SLOC used first to cover the ADB up to its face amount and days of coverage if it expires during the calculation period.
- If a beneficiary has multiple SLOCs issued on the same day, the ADB will be applied from smallest face amount to the largest face amount.
- For SLOCs that do not span the entire month, Members will be required to provide beneficiary ADB for the entire month (i.e. SLOC issued on the 20<sup>th</sup> would provide 10 days of coverage out of a 30 day month; this would require converting an average balance for the 10 days to an average for the entire month).
- Members understand that the Bank may find it necessary to periodically audit the average daily balance reporting of the public unit deposit accounts secured by the SLOC. The fee for this audit verification is the same as the collateral verification fees published under Collateral Forms.
- Requests to cancel a SLOC are subject to a cancellation fee of \$125.

## **Billing Option (A) and (B) Other fees:**

A processing fee of \$125 will be charged for:

1. Any draw request/modification on a SLOC
2. Any changes to the original SLOC as requested by the member