



Announcements

FHLB Des Moines Introduces New Advance Products

Member Option Fixed Rate Advance and Member Option Variable Rate Advance

The introduction of two new advance products provides more choice, flexibility and convenience for members of FHLB Des Moines. Designed to meet your funding and business needs, the Member Option Fixed Rate Advance and Member Option Variable Rate Advance are now available.

Member Option Fixed Rate Advance

With the Member Option Fixed Rate Advance, members have the flexibility to prepay an advance on predetermined dates throughout the life of the advance without incurring a prepayment fee. Long-term, fixed rate funding and prepayment flexibility are key features of this new advance.

The minimum advance amount is \$500,000 and additional increments of \$100,000 can be added. All transactions less than \$5 million will be aggregated and funded when the \$5 million threshold is reached. Typical advance maturities are one to 10 years.

The Member Option Fixed Rate Advance can assist members in the management of their interest rate risk and prepayment risk. This advance can be used to fund a fixed rate mortgage portfolio or meet seasonal funding needs. It can also provide liquidity management or investment portfolio management.

Advantages

- Manage long-term interest rate risk and lower funding costs if rates decline.
- No prepayment fee when the call option is exercised on specified date.
- Manage mortgage loan prepayment risk.
- Fund assets with prepayment options.
- Various repayment structures and maturities available.

Member Option Variable Rate Advance

The Member Option Variable Rate Advance allows members to choose either a one-month or three-month advance rate for a fixed-term with the flexibility to prepay the advance without incurring a prepayment fee at rate-reset dates. Key features of this new advance include long-term, floating rate funding and prepayment flexibility.

The Member Option Variable Rate Advance allows members who are uncertain of their liquidity needs the ability to prepay the advance without a fee on designated rate-reset dates with prior notice of one business day. The advance rate will adjust every month or every three months on the rate-reset dates chosen by the member. Advance maturities are available in a variety of terms. The minimum advance amount is \$500,000. Members can use this type of advance for seasonal funding needs, construction loans, home equity lines of credit and more.

Advantages

- Allows members to take advantage of falling interest rates.
- Provides members flexibility in managing liquidity.
- Fund assets with embedded prepayment option.
- No fee to prepay advance on rate-reset dates.
- Competitive with other funding alternatives.

For more information on these advance products, please contact the Money Desk at 800.544.3452, ext. 1013 or by email at moneydesk@fhlbdm.com. Log onto www.fhlbdm.com for more details.