



April 8, 2019

FOR IMMEDIATE RELEASE:

FHLBanks to Use Preceding Business Day Convention for Rate Resets on SOFR-Linked Bonds

The Office of Finance announced today that the Federal Home Loan Bank System will modify its SOFR Debt Program to use the preceding business day convention for daily rate resets on SOFR-linked bonds priced on or after May 1, 2019, subject to the terms of the bonds.

For SOFR-linked bonds priced on or after May 1, 2019, the reference rate for a reset date that is not a U.S. Government Securities Business Day will generally be the SOFR published on the U.S. Government Securities Business Day immediately preceding such reset date. For example, the SOFR for the reset dates of Saturday, May 18, 2019, and Sunday, May 19, 2019 will be the rate published on Friday, May 17, 2019.

“The Federal Home Loan Bank System remains committed to continued participation in the developing market to meet investor appetite for SOFR-linked debt,” stated Randy Snook, CEO of the Office of Finance. “As this new SOFR debt market evolves, we will adapt our programs when necessary to better reflect both investor preferences and member needs to ensure that the eleven FHLBanks are positioned to provide reliable liquidity to member institutions.”

Chartered by Congress, the Federal Home Loan Bank System’s mission is to provide reliable liquidity to member institutions to support housing finance and community investment. “Our commitment to our members includes providing advance products that meet the wide range of their needs,” stated Mike Wilson, President and CEO of the Federal Home Loan Bank of Des Moines. “As significant providers of LIBOR-linked advances to nearly 7,000 members, the FHLBanks are prepared to support members of all sizes as they begin their own transition away from LIBOR and seek SOFR-linked advances.”

SOFR, the Secured Overnight Financing Rate, has been identified by the Federal Reserve’s Alternative Reference Rates Committee as its recommended alternative to U.S. Dollar LIBOR. The Federal Home Loan Banks issued their first SOFR-linked bonds in November 2018. To date, they have issued over \$40 billion in SOFR-linked transactions, with tenors ranging from 3 months to 2 years.



The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have approximately 6,900 members serving all 50 states, the District of Columbia and U.S. territories. Please contact Nancy Nowalk at 703-467-3608 or nnowalk@fhlb-of.com for additional information.

Statements contained in this press release may be “forward-looking statements.” This press release does not constitute an offer to sell or the solicitation of an offer to buy securities of the FHLBanks. Any investment decision as to any purchase of FHLBank securities must be made solely on the basis of information contained in the FHLBanks’ Information Memorandum, as amended or supplemented (including the information incorporated by reference therein), and no reliance may be placed on the completeness or accuracy of the information contained in this press release. Please refer to the FHLBanks’ Information Memorandum, as amended or supplemented, and the relevant final offering notices or pricing supplements for the terms of the individual bonds issued by the FHLBanks.