

Bank Term Funding Program

Program: To provide liquidity to U.S. depository institutions, each Federal Reserve Bank would make advances to eligible borrowers, taking as collateral certain types of securities.

Borrower Eligibility: Any U.S. federally insured depository institution (including a bank, savings association, or credit union) or U.S. branch or agency of a foreign bank that is eligible for primary credit (see 12 CFR 201.4(a)) is eligible to borrow under the Program.

Eligible Collateral: Eligible collateral includes any collateral eligible for purchase by the Federal Reserve Banks in open market operations (see 12 CFR 201.108(b)), provided that such collateral was owned by the borrower as of March 12, 2023.

Advance Size: Advances will be limited to the value of eligible collateral pledged by the eligible borrower.

Rate: The rate for term advances will be the one-year overnight index swap rate plus 10 basis points; the rate will be fixed for the term of the advance on the day the advance is made.

Collateral Valuation: The collateral valuation will be par value. Margin will be 100% of par value.

Prepayment: Borrowers may prepay advances (including for purposes of refinancing) at any time without penalty.

Advance Term: Advances will be made available to eligible borrowers for a term of up to one year.

Fees: There are no fees associated with the Program.

Credit Protection by the Department of the Treasury: The Department of the Treasury, using the Exchange Stabilization Fund, would provide \$25 billion as credit protection to the Federal Reserve Banks in connection with the Program.

Recourse: Advances made under the Program are made with recourse beyond the pledged collateral to the eligible borrower.

Program Duration: Advances can be requested under the Program until at least March 11, 2024.