

# How It Works: Symmetrical Prepayment Advance



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# What is the Symmetrical Prepayment Advance?

Very similar to the Long-Term Classic Advance, the Symmetrical Prepayment Advance offers members the added benefit of the potential in a higher rate environment to pay back the advance and realize a gain based off the market value.

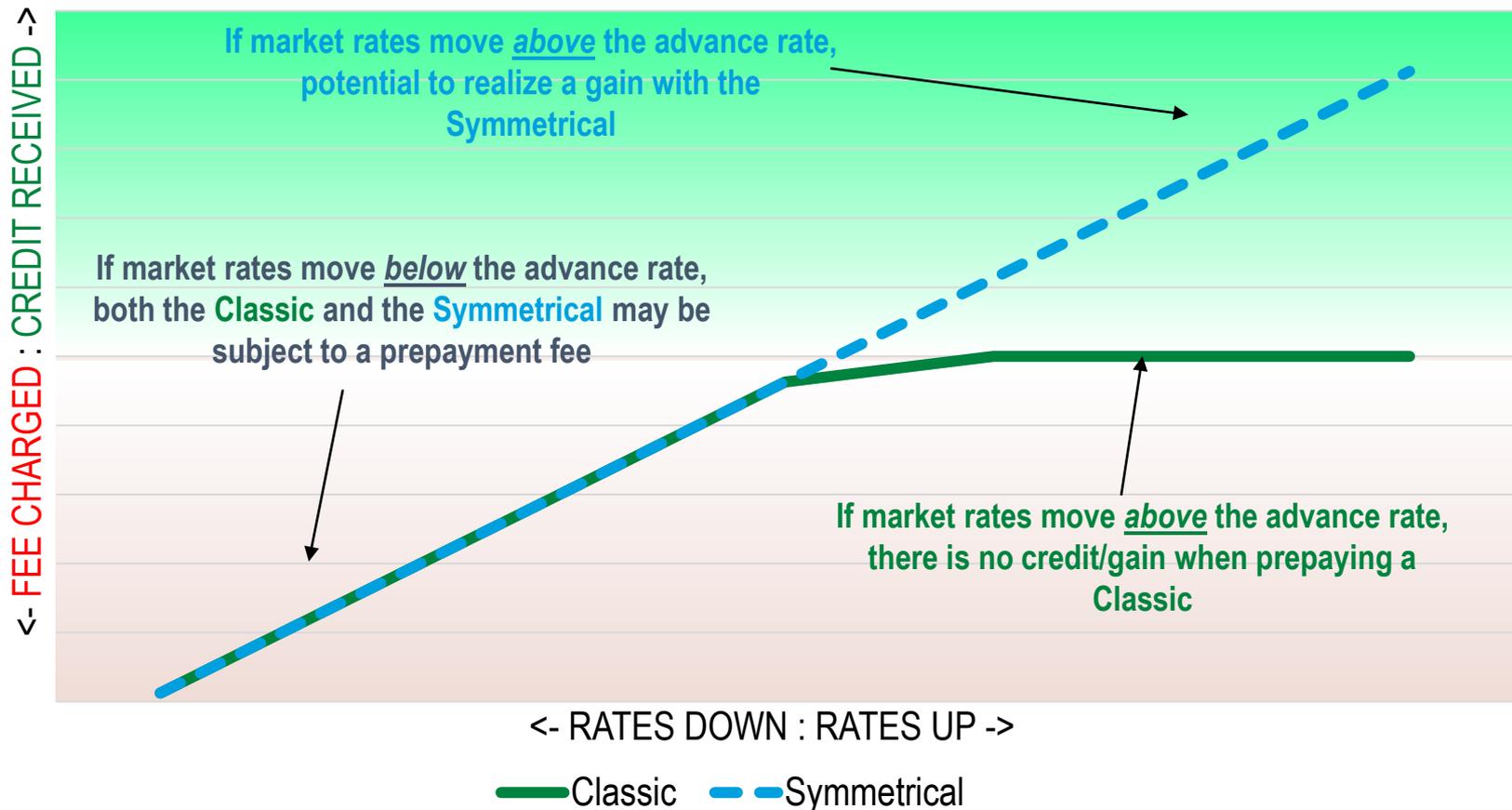
## Features of the Symmetrical Prepayment Advance

<b>Coupon Type</b>	Fixed	<b>Availability</b>	Every day
<b>Available Term</b>	Up to 20 years	<b>Minimum Size</b>	\$2,000,000
<b>Interest Paid</b>	2 <sup>nd</sup> business day of the month, or semi-annually	<b>Prepayable</b>	Yes
<b>Principal Due</b>	At maturity	<b>Subject to Prepayment Fee if Rates Are Lower</b>	Yes
<b>Settlement</b>	Next business day (t+1)	<b>Potential for Prepayment Credit if Rates are Higher</b>	Yes

# What Does the Prepayment Profile Look Like?

As the name implies, there is a mirror-like prepayment profile if rates are shocked up or down.

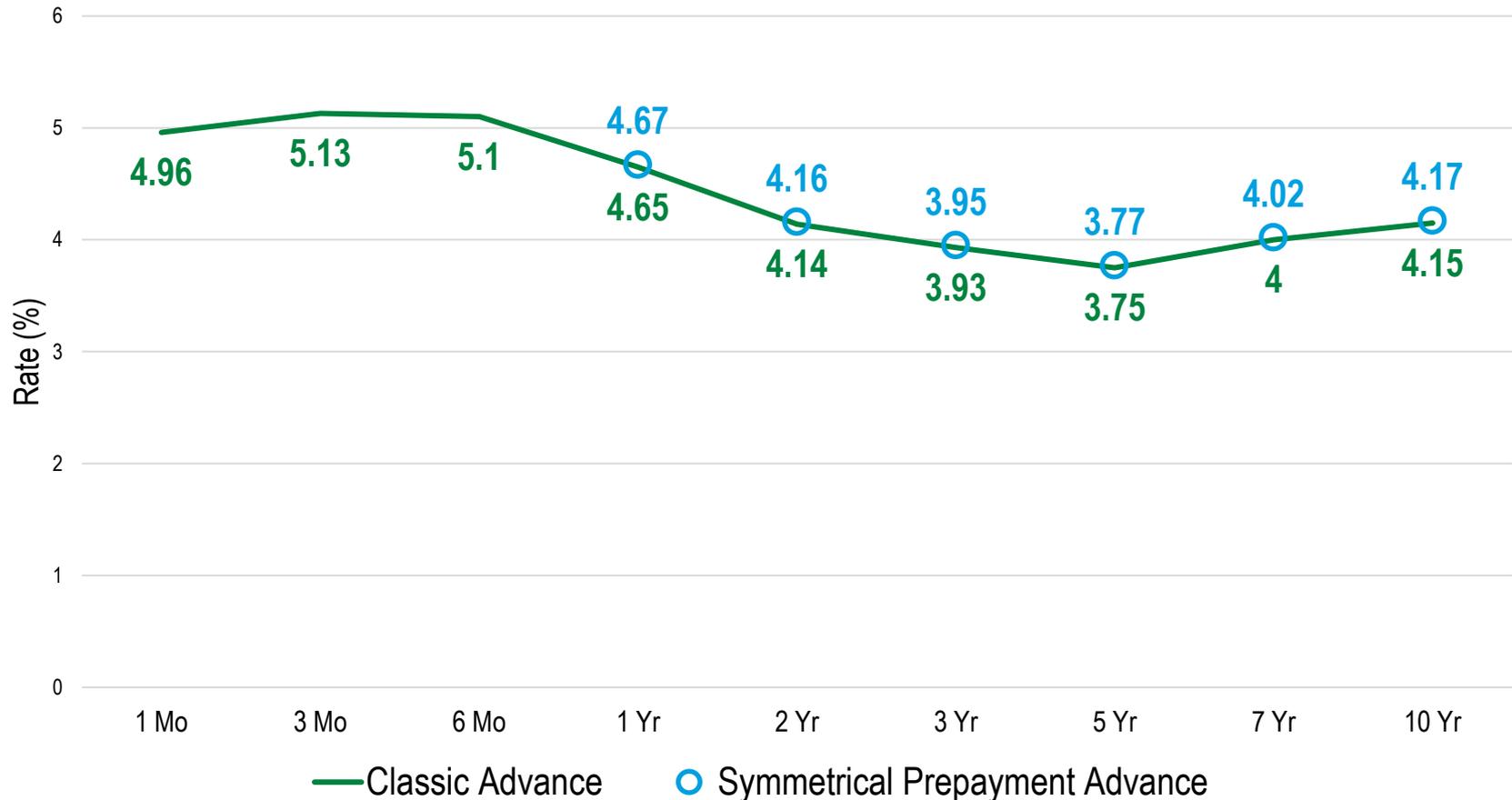
## Example Prepayment Profile & Day 1 Rate Shock



# How is the Symmetrical Prepayment Advance Priced?

The advance is typically priced at just two basis points above comparable term Classic Advances.

## Classic & Symmetrical Prepayment Advances

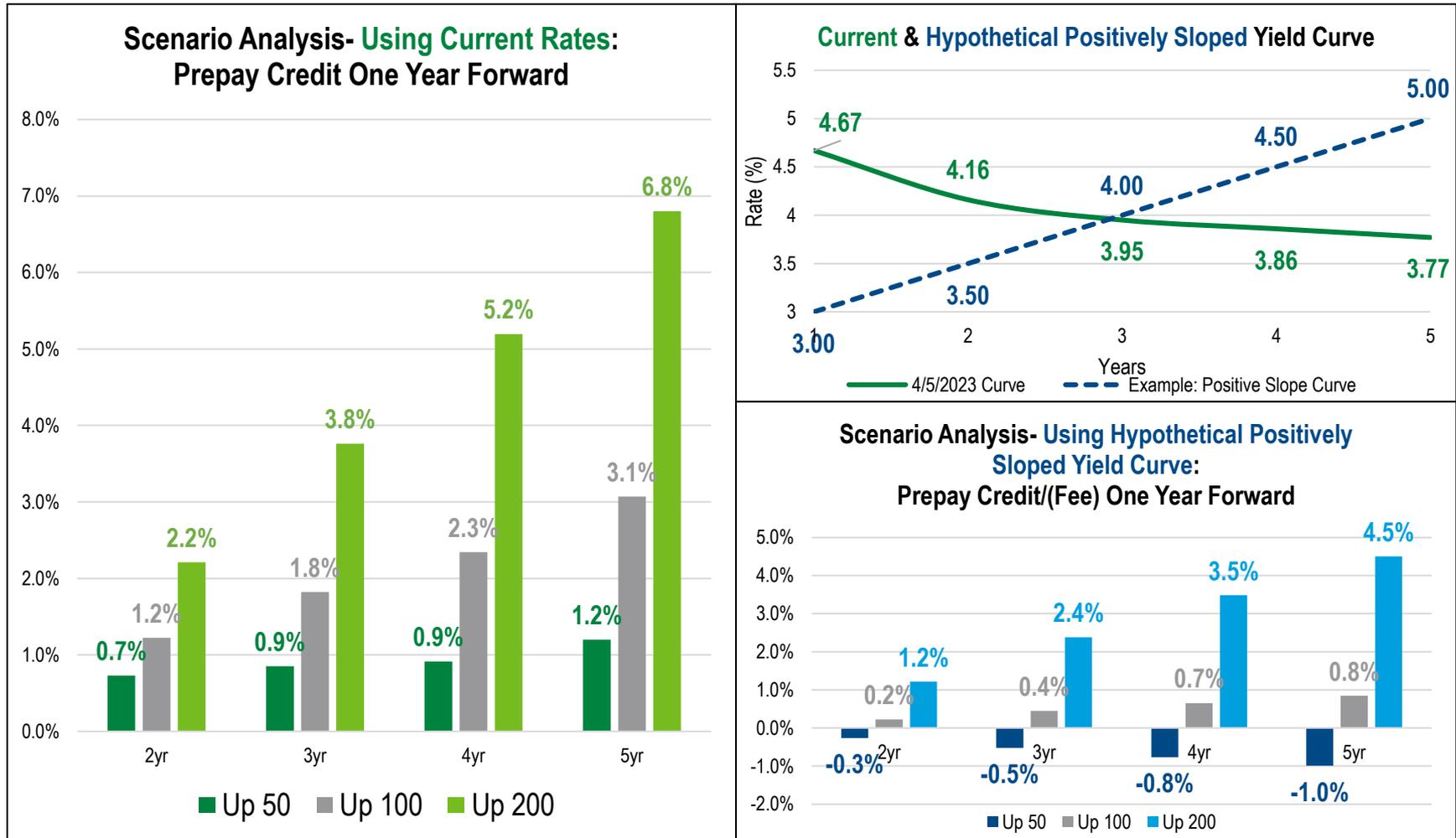


\*Rates as of 4/5/23- all pricing is subject to change and rates and spreads are not guaranteed

Source: FHLBank Boston

# Why Use the Symmetrical Prepayment Advance?

The use cases would be all the same reasons you would use Long-Term Classics plus the added flexibility to unwind at a gain with favorable market movements. Current inversion also creates potential to “roll up” the curve.



# Thank You



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