



# Credit Bulletin

## Federal Home Loan Bank of Indianapolis

### Adjustable Rate Advances Tied to LIBOR

September 13, 2018

To All Members:

The Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis) offers members a wide variety of advances and other credit products to assist in liquidity and risk management. As the market for certain advance products evolves, FHLBank Indianapolis strives to keep members as up-to-date as possible on its product offerings. One credit product subject to change in the coming years will be long-term adjustable rate advances tied to LIBOR.

LIBOR is published daily and is a benchmark interest rate based on the rates at which banks lend unsecured funds to each other on the London interbank market. As many of you are aware, Britain's primary financial regulator will not compel contributing banks to provide LIBOR submissions after year-end 2021. If LIBOR is no longer published, alternative rate indices would need to be determined. The Federal Reserve's Alternative Reference Rates Committee (ARRC) has established the Secured Overnight Financing Rate (SOFR) as the alternative reference rate and is developing an implementation plan. FHLBank Indianapolis will remain focused on the reference rate outcomes from the ARRC and the implementation of SOFR. In the meantime, FHLBank Indianapolis will continue to offer members long-term adjustable rate advances tied to LIBOR. However, the associated term sheet language for these advances will reflect the likelihood of LIBOR going away and the need to select a replacement index rate. In addition, FHLBank Indianapolis has already contacted members with LIBOR-indexed adjustable rate advances with maturities beyond December 2021 to discuss a replacement index. If you believe you may have such an advance and have not discussed the transition to a replacement index, please contact your Account Manager to schedule a conference call.

FHLBank Indianapolis remains dedicated to providing our members with liquidity and funding solutions. If you would like to discuss more about LIBOR or other adjustable rate advances, contact the FHLBank Indianapolis Advances Desk at 800-442-2568, your Account Manager, or Todd Hargreaves, Advances Manager, at either [mhargreaves@fhlbi.com](mailto:mhargreaves@fhlbi.com) or 317-465-0503.

Sincerely,

Jon Griffin  
SVP, Chief Business Development Officer