FEDERAL FINANCING BANK

WASHINGTON, D.C. 20220

**FEDERAL FINANCING BANK BORROWING POLICY**

The Secretary of the Treasury purchases obligations issued by the Federal Financing Bank under subsection 9(b) of the Federal Financing Bank Act of 1973 (12 U.S.C. 2288(b)) to provide the financing of Bank purchases under subsection 6(a) of the Act (12 U.S.C. 2285(a)) of obligations issued, sold, or guaranteed by Federal agencies.

With the exception of the rates of interest, obligations issued by the Bank to the Treasury shall have terms and conditions equivalent to the obligations purchased by the Bank, including, but not limited to, terms and conditions relating to prepayment, refinancing, rate caps, and other special loan provisions, and any fees that may be charged in consideration of such provisions. Such Bank obligations shall bear rates of interest based on the estimated Treasury new issue rates. In the case of Bank obligations purchased by the Treasury so as to allow the Bank to obtain immediately available funds without advance notice, a charge in an amount to be determined by the Secretary of the Treasury shall be added to the rate of interest in order to compensate the Treasury for the additional cost of providing such funds.