



Federal Reserve Banks

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July 1, 2020
Clearing Memo #275

TO: All Fedwire® Securities Service Participants

SUBJECT: Federal Home Loan Banks – Changes to Discount Note Principal Payment and Redemption Payout Increments

As of September 1, 2020, the Federal Home Loan Banks (FHLB) will change the payment and redemption increment allocations for their Discount Note product, as further described below. This Clearing Memo supersedes and replaces in its entirety Clearing Memo #254, dated August 27, 2007.

The principal of FHLB’s Discount Note product is currently paid in 4 increments: 3 increments of 5% and a final increment of 85%. Effective September 1, 2020, the new Discount Note product payment and redemption payout increments are as follows:

Increment 1 = 15%
 Increment 2 = 20%
 Increment 3 = 20%
 Increment 4 = 45%

This change is limited to the FHLB Discount Note product only and does not affect other FHLB products.

Below is an updated listing of FHLB’s distribution account, funder accounts, associated class codes, and payment increments, effective September 1, 2020.

Issuer:	FHLB				
Distribution:	0210-5454-3	DA FHLB Wash			
Funder:	0210-5476-3	FHLBDN			
Increment:	15%; 20%; 20%; 45%				
Class Codes:	FHDN				
Funder:	0265-9070-1	FHLBB			
Increment:	100%				
Class Codes:	FHAS	FHBD	FHCM	FHFR	FHIN
	FHLB	FHOR	FHPR	FHZC	

Please refer to Clearing Memos 247 for introduction of interest and redemption payment increments and 250 for payment increment table for all other Issuer/Funder.

Questions regarding this announcement should be directed to the Federal Reserve Bank of New York at (800) 390-2788.

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