



The following letter of credit (LC) marketing piece can support your conversations with customers and prospective customers.

- It may be customized to include your organization's logo, as well as a call-to-action with representative names, phone numbers and email addresses. To customize, simply type your desired text in the blue shaded box, or delete the existing text to use as is or affix a business card. Company logos can be inserted using the "Place Signature" tool in Adobe Reader.
- We recommend that you have your organization's legal and marketing or communications departments review this marketing resource for applicability to your business and markets, and for compliance with your specific regulatory bodies.

If you have any questions about LCs or would like assistance customizing a flyer for your organization, please contact your Business Development Manager or call 800-288-3400, option 2.

Letters of Credit for Public Unit Deposit Accounts

As the finance manager of a public entity, you are responsible for securing your public funds. For prudent business reasons, you might only accept AAA-rated securities as collateral. It is likely, however, that your state allows you to accept standby letters of credit (LCs) from FHLBank Pittsburgh, an entity rated Aaa/AA+,* in lieu of securities collateral.



What is a Letter of Credit?

An LC is an independent, irrevocable, unconditional obligation that is issued by one party on behalf of another to a third-party beneficiary. When FHLBank Pittsburgh issues an LC to you on our behalf, it agrees to make certain payments to you if and when the need arises.

Financial institutions, when serving as the custodian of your funds, may be required to monitor and report on the value of securities collateral, which only adds to your oversight burdens. With an LC, your time and resources may be deployed to other matters since the value of an LC is consistent and stable.

An LC issued by FHLBank Pittsburgh offers the following advantages:

- Ensures the safety of your deposits and provides timely payout, if the need arises
- Eliminates market value fluctuations and collateral calls for securities, since an LC's notional amount remains fixed
- Reduces monitoring and reporting required for securities collateral

Aaa and AA+

FHLBank Pittsburgh
credit ratings*

47

states accept
FHLBank Pittsburgh LCs
as collateral

About the Federal Home Loan Bank System and FHLBank Pittsburgh

FHLBank Pittsburgh is one of 11 government-sponsored enterprises that constitute the Federal Home Loan Bank System. Established by Congress in 1932, the FHLBanks are intermediaries between global capital markets and local lenders. Their mission is to serve as reliable sources of liquidity to their member financial institutions, which include banks, savings institutions, credit unions, community development financial institutions and insurance companies. Through eight decades and regardless of economic cycles, the System has assured the flow of credit used to support affordable housing finance and community lending.

FHLBank Pittsburgh serves more than 280 member financial institutions located throughout Delaware, Pennsylvania and West Virginia. Visit www.fhlb-pgh.com for more information.

*Such ratings are according to Moody's and Standard & Poor's, respectively.