



The following Letter of Credit (LC) marketing piece can support your conversations with customers and prospects.

- 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 form. Alternatively, delete the existing text to use as is or to affix a business card. Company logos can be inserted using the "Place Signature" tool in Adobe Reader.
- You may wish to have your organization's legal and marketing or communications departments review for your business, markets and compliance with your specific regulatory bodies.

Any questions you have about LCs or if you would like assistance customizing a flyer for your organization, please contact your Relationship Manager or the Product Delivery Service Center at 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. Perhaps you accept only triple-A-rated securities as collateral for prudent reasons. But did you know it's very likely that your **state allows you to accept FHLBank Pittsburgh's Letters of Credit (LCs)** in lieu of securities collateral?

As the custodian of your funds, financial institutions may be required to regularly monitor and report on the value of securities collateral. If so, this can add 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 may be superior to securities collateral because it delivers the following benefits:

- An LC is an irrevocable, unconditional obligation of FHLBank Pittsburgh that ensures the safety of your deposits and provides for **timely payout** if the need arises
- Eliminates market value fluctuations and collateral calls – an LC's face amount remains fixed
- Reduces monitoring and reporting required for securities collateral



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*We can support your public unit deposits with an LC issued by FHLBank Pittsburgh, which has credit ratings of **Aaa and AA+**, according to Moody's and Standard & Poor's, respectively.\**

*FHLBank Pittsburgh LCs are **acceptable collateral** in 48 states, including Delaware, Pennsylvania, West Virginia, the District of Columbia and the U.S. Virgin Islands.*

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## What is a Letter of Credit?

An LC is an independent obligation issued by one party on behalf of another as an irrevocable promise 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 the need arises.

## 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 Banks are intermediaries between global capital markets and local lenders. The 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 supporting affordable housing finance and community lending.

FHLBank Pittsburgh serves over 300 member financial institutions located throughout Delaware, Pennsylvania and West Virginia. Refer to [www.fhlb-pgh.com](http://www.fhlb-pgh.com) for more information.

\*Standard & Poor's and Moody's Investors Service are both Nationally Recognized Statistical Rating Organizations. These organizations rank the creditworthiness of borrowers by using a standardized rating scale that measures expected investor loss in the event of a default. Ratings of Aaa (Moody's) and AA+ (Standard & Poor's) are deemed to be very high quality with a very low degree of risk. An obligor carrying such a rating is thought to have an extremely strong capacity to meet its financial commitments.