



## Products & Services Update

August 24, 2018

**TO: All Members**

**SUBJECT: SOFR as a LIBOR Index Alternative**

Since FHLBank's initial communication to members regarding the [phase-out of the London Interbank Offered Rate \(LIBOR\)](#) by Dec. 31, 2021, market participants have been working to identify alternative reference indexes for LIBOR-based transactions. Recently, the Secured Overnight Financing Rate (SOFR), a broad measure of the cost of overnight cash borrowings collateralized by Treasury securities, has gained traction in the market as a LIBOR alternative. While FHLBank continues to monitor SOFR market activity and to make its own determinations regarding the possible use of SOFR for FHLBank products and services, we would like to evaluate member interest in adjustable-rate advances indexed to SOFR. We encourage you to share any feedback or interest that you may have regarding SOFR-indexed advances with your Business Development Manager.

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