

Letters of Credit

Support for FHLBank member obligations

Get Started Now

Contact your Business Development Manager or call 800-288-3400, option 2, to initiate the letter of credit process.

Learn More

Visit www.fhlp-pgh.com/letters-of-credit. Click on “Letter of Credit Resources” to see how dividends impact the “all-in” letter of credit cost.

To ensure that your depositors meet the FDIC definition of a “public unit,” please visit www.fdic.gov/deposit/deposits/factsheet.html.

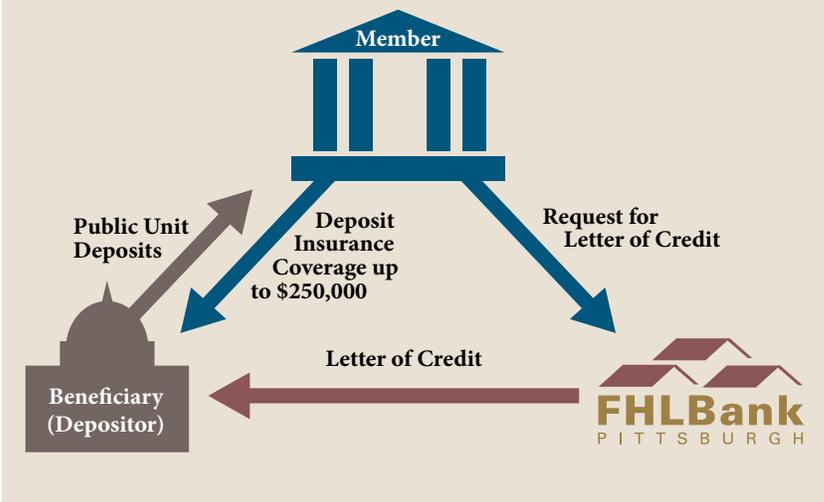
A customizable flyer to support conversations with public unit depositors can be accessed by visiting www.fhlp-pgh.com/letters-of-credit and clicking on “Letter of Credit Resources.”

An FHLBank Pittsburgh letter of credit (LC) is issued to a third-party beneficiary on a member’s behalf to function as an independent guarantee of the member’s obligation.

Members can use LCs to:

- Support public unit deposits
- Provide credit enhancement to certain transaction types
- Support payment obligations to third parties

LC to Secure Public Unit Deposits



LC Benefits for Members

- **Liquidity** – Unencumbers pledged securities to support liquidity objectives
- **Efficiency** – Lessens monitoring with a fixed notional amount that is not affected by market fluctuations
- **Availability** – Leverages existing FHLBank Pittsburgh collateral, with same-day issuance in most instances
- **Community Impact** – Increases opportunities to build new community relationships

LC Benefits for Public Unit Depositors and Other Beneficiaries

- **Safety** – Guarantees payment obligations and is backed by FHLBank Pittsburgh, which has an Aaa/AA+ rating*
- **Convenience** – Saves time that would otherwise be spent monitoring pledged securities’ maturities, calls and substitutions
- **Ease of Use** – Transactions are executed via a relationship with FHLBank Pittsburgh

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

Visit www.fhlp-pgh.com to learn about FHLBank Pittsburgh’s credit products.

