

Dutch Auction Advance Special

What if you could set your own advance rate? We'll soon be giving you that opportunity (within reason, of course!).

On May 29, FHLB Boston will conduct an advance special using the Dutch Auction format from 10:00 a.m. to 11:00 a.m. Unlike traditional specials, where we set the rates prior to the offering, members will submit bids for their preferred advance amount and rate. After all bids have been submitted, the Bank will determine a clearing rate, and all bids at or above the clearing rate will be executed at the clearing rate for the amount specified in the bid.

How to Submit a Bid

- Prior to a Dutch Auction advance special, the Bank will advertise the special on the Bank's website and via e-mail, specifying the type and maturities of the advance product(s) offered and the bid-submission window (usually a one- or two-hour period).
- Members who wish to participate in the auction can submit a bid by calling the Money Desk at 1-800-357-3452. Bids via e-mail cannot be accepted at this time. A bid will consist of:
 - Advance type and maturity
 - Desired disbursement amount in dollars (no decimal places)
 - Preferred rate in basis points (no decimal places or fractions of a basis point; for example, 57 basis points or 0.57 percent is acceptable, but not 57.2 basis points or 0.572 percent.)
- All bids are considered firm commitments and, once submitted, cannot be cancelled or modified.
- Members may submit more than one bid for the same advance product and maturity.

Execution and Confirmation

- Following the bid-submission period, the Bank, at its sole discretion, will determine a clearing rate. The clearing rate may result in some, all, or none of the bids being executed.
- Members who bid at or above the clearing rate will receive execution at the clearing rate for the bid amount. All filled orders resulting from the auction will be executed at the same clearing rate. Members with filled orders will receive notification of order execution.
- The Bank will notify members who bid below the clearing rate that their bids were not executed.
- For nonparticipants in the auction and participants with bids below the clearing rate, advances are available at rates posted on the Bank's website (www.fhlbboston.com).
- An allocation process may be used if demand exceeds available funds.