

PREPAYMENT FEE LANGUAGE

(as of March 31, 2014)

Regular Fixed Rate

The prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity, and (b) the interest payments that would be collected on the advance through remaining maturity if it bore interest at the reference rate. The reference rate is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity and coupon to the advance being prepaid. If the reference rate is greater than the rate on the advance, no fee is charged.

Symmetrical Fixed Rate

Prepayment is permitted in full (but not in part unless FHLBank is able to terminate the portion of the underlying swap used to hedge the advance that applies directly to the amount of the advance being prepaid) and equals the present value of the advance spread of 0.XX% (held constant over the remaining life of the advance) plus or minus the cost (plus) or benefit (minus) resulting from the termination of the underlying swap used to hedge the advance. Any net benefit associated with prepayment will be paid by FHLBank and will be limited to 10 percent of the advance principal balance.

Note: If a new symmetrical advance is issued on the same day an outstanding symmetrical advance is prepaid, FHLBank will credit, against any prepayment fee owed by the borrower, the present value of the advance spread using the lower spread, lower principal amount and shorter remaining maturity of the two advances.

Callable

Prepayment is permitted in full or in part without a fee at specific intervals during the life of the advance as long as FHLBank is notified in writing nine business days prior to scheduled call dates.

If the callable advance is prepaid under circumstances and conditions other than as outlined above, the prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity (next call date), and (b) the interest payments that would be collected on the advance through remaining maturity (next call date) if it bore interest at the reference rate. The reference rate is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity (next call date) and coupon to the advance being prepaid. If the reference rate is greater than the rate on the advance, no fee is charged.

Member Option Fixed Rate

Prepayment is permitted in full (but not in part unless FHLBank is able to terminate the portion of the underlying interest rate swap used to structure the advance that applies directly to the amount of the advance being prepaid) without a fee at specific intervals during the life of the advance as long as FHLBank is notified in writing three business days prior to scheduled call dates.

If the advance is prepaid under circumstances and conditions other than as outlined above, the advance may be prepaid in full (but not in part unless FHLBank is able to terminate the portion of its underlying interest rate swap used to structure the advance that applies directly to the amount of the advance being prepaid) at a fee determined by FHLBank, in its reasonable discretion, to be sufficient to make FHLBank financially indifferent to the prepayment, taking into account the present value of the advance spread (assuming the

spread at the time of prepayment remains constant throughout the expected life of the advance) plus or minus the cost (plus) or benefit (minus) resulting from termination or offset of any funding (including any consolidated obligations, interest rate exchange agreements and other financial instruments) associated with the advance, but the fee shall not be less than \$100.

Convertible (Advances less than \$2.5 million)

Non-prepayable until FHLBank exercises its option to convert the advance to an adjustable rate advance. Thereafter, prepayment will be permitted in full or in part on the date FHLBank exercises its conversion option and on any subsequent adjustable rate reset date as long as FHLBank is notified in writing one business day before prepayment.

FHLBank may waive the non-prepayment clause, in its reasonable discretion if FHLBank is able to terminate the portion of its interest rate swap that applies directly to the amount of the advance being prepaid. If FHLBank allows the advance to be prepaid, the advance may be prepaid in full (but not in part) at a fee determined by FHLBank, in its reasonable discretion, to be sufficient to make FHLBank financially indifferent to the prepayment, taking into account the present value of the advance spread (assuming the spread at the time of prepayment remains constant throughout the expected life of the advance) plus or minus the cost (plus) or benefit (minus) resulting from the termination of the underlying interest rate swap used to structure the advance, but the fee shall not be less than \$100.

Convertible (Advances \$2.5 million or more)

At any time before FHLBank exercises its conversion option, this advance may be prepaid in full (but not in part unless FHLBank is able to terminate the portion of its interest rate swap that applies directly to the amount of the advance being prepaid) at a fee determined by FHLBank, in its reasonable discretion, to be sufficient to make FHLBank financially indifferent to the prepayment, taking into account the present value of the advance spread (assuming the spread at the time of prepayment remains constant throughout the expected life of the advance) plus or minus the cost (plus) or benefit (minus) resulting from termination of the underlying interest rate swap used to structure the advance, but the fee shall not be less than \$100.

At any time after FHLBank exercises its conversion option, this advance may be prepaid in full or in part, without a fee, on the initial rate reset date and on any subsequent adjustable rate reset date, as long as FHLBank is notified in writing at least one business day before prepayment.

Amortizing Fixed Rate

Prepayment is permitted in full (but not in part) with a fee. The prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity, and (b) the interest payments that would be collected on the advance through remaining maturity if it bore interest at the reference rate. The reference rate is the internal rate of return which equates the principal balance of the advance with the future cash flows which would be due on the advance if each unpaid principal payment bore interest, payable monthly, at the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity and coupon to such principal payment. If the reference rate is greater than the rate on the advance, no fee is charged.

Amortizing Fixed Rate Callable

Prepayment is permitted in full without a fee at specific intervals during the life of the advance as long as FHLBank is notified in writing nine business days prior to scheduled call dates.

If the advance is prepaid other than as outlined above, the prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity (next call date) and (b) the interest payments that would be collected on the advance through remaining maturity (next call date) if it bore interest at the reference rate. The reference rate is the internal rate of return which equates the principal balance of the advance with the future cash flows which would be due on the advance if each unpaid principal payment bore interest, payable monthly, at the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity (next call date) and coupon to such principal payment. If the reference rate is greater than the rate on the advance, no fee is charged.

Adjustable Rate

Prepayment permitted on rate reset dates only at a fee sufficient to make FHLBank indifferent to the prepayment. The prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity, assuming the advance rate remains constant, and (b) the interest payments that would be collected on the advance through remaining maturity if it bore interest at the reference rate, assuming the reference rate remains constant. The reference rate is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity to the advance being prepaid in which the re-pricing period corresponds to the rate-reset index on the advance. If the reference rate is greater than the rate on the advance, no fee is charged.

Note: The reference rate is dependent on the index selected for the advance and is as follows:

- Prime Index – The reference rate for advance rates tied to Prime is the current marginal cost for issuing prime liabilities that have the closest remaining maturity to the advance being prepaid.
- LIBOR Index – The reference rate for advance rates tied to LIBOR is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity to the advance being prepaid.

Adjustable Rate Callable

Prepayment is permitted in full or in part without a fee at specific intervals during the life of the advance as long as FHLBank is notified in writing one business day prior to scheduled call dates.

If the advance is prepaid other than as outlined above, the prepayment fee equals the present value (discounted at the reference rate) of the difference between: (a) the scheduled interest payments to be paid on the advance through remaining maturity (next call date), assuming the advance rate remains constant, and (b) the interest payments that would be collected on the advance through remaining maturity (next call date) if it bore interest at the reference rate, assuming the reference rate remains constant. The reference rate is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity (next call date) to the advance being prepaid in which the re-pricing period corresponds to the rate-reset index on the advance. If the reference rate is greater than the rate on the advance, no fee is charged.

Notes:

1. The reference rate is dependent on the index selected for the advance and is as follows:

- a. Prime Index – The reference rate for advance rates tied to Prime is the current marginal cost for issuing prime liabilities that have the closest remaining maturity to the call date on the advance being prepaid.
 - b. LIBOR Index – The reference rate for advance rates tied to LIBOR is the effective yield of a Federal Home Loan Bank obligation having the closest remaining maturity date to the call date on the advance being prepaid.
2. Advances issued with an advance rate tied to FHLBank’s Short-Term Advance rate are prepayable on rate reset dates only.

Structured Advance (Fixed or Adjustable), advances tied to FSA Commitments and advances offered under special advance offerings that are created using interest rate swaps

Prepayable in full (but not in part unless FHLBank is able to terminate the portion of its interest exchange agreement(s) that applies directly to the amount of the advance being prepaid) at a fee determined by FHLBank, in its reasonable discretion, to be sufficient to make FHLBank financially indifferent to the prepayment, taking into account the present value of the advance spread (assuming the spread at the time of prepayment remains constant throughout the expected life of the advance) plus or minus the cost (plus) or benefit (minus) resulting from termination or offset of any funding (including any consolidated obligations, interest rate exchange agreements and other financial instruments) associated with the advance, but the fee shall not be less than \$100.