Federal Reserve Bank *of* Kansas City

Discount Window

Seasonal Lending Program

Flexibility · Affordability · Reliability

Overview of the *Seasonal Lending Program*

The Seasonal Lending Program is designed to assist smaller institutions in meeting funding needs that are generally caused by cyclical fluctuations in loan demand or deposit declines. Institutions with regular and recurring seasonal liquidity pressures related to serving customers engaged in cyclical businesses, such as agriculture or tourism, may find this program beneficial.

The Seasonal Lending Program provides up to nine months of credit in a calendar year. Recipients do not need to be a Federal Reserve member institution or have a Federal Reserve account to participate. No commitment fees, stock purchases or other expenses or penalties are involved.

Program *Requirements*

Seasonal credit is generally available to smaller institutions that meet the following criteria and conditions:

- Deposits of $500 million or less.
- Need due to expected movement in loans and deposits, lasting for at least four weeks and generally not exceeding nine months.

Establishing a Seasonal *Qualification*

If you are interested in applying for the Seasonal Lending Program, you can submit the last three years of monthly loans and deposits data for your institution on the Data Collection Form found at ***www.frbdiscountwindow.org/10_seasonalsteps.cfm***. Upon submission and approval of the application, your institution will receive a letter, confirming your approved seasonal qualification and program requirements.

Before accessing any discount window programs including seasonal credit, your institution will need to have appropriate legal documents on file and pledge acceptable collateral to the Reserve Bank. Information about the wide variety of eligible collateral and necessary borrowing documents can be found by choosing Kansas City at the "Select your FRB" dropdown at ***www.frbdiscountwindow.org***.

Once access has been established and collateral is in place, requesting an advance is simple. Call (800) 333-2987 and request a seasonal loan. Partial and full repayment of outstanding loans is allowed at any time, without penalty.

Interest *Rates*

The seasonal credit rate is a market rate computed as the average of the previous two-week average federal funds rate and secondary market rate on 90-day certificates of deposit, rounded to the nearest five basis points. The seasonal rate is adjusted at the beginning of each two-week reserve maintenance period and applies to all outstanding seasonal credit loans. The current rate can be found at ***www.frbdiscountwindow.org***.

Contact *Information*

Questions about the Seasonal Lending Program can be directed to Credit and Risk Management staff at (800) 333-2987. Detailed information on the Seasonal Lending Program is available at our discount window website ***www.frbdiscountwindow.org***.

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