

Benefits

Discount Window Services (Federal Reserve Bank)

By maintaining access to emergency liquidity, credit unions are able to obtain funds quickly and easily when needed. Federal sources of liquidity are among the many funding options available via Alloya Corporate FCU and a value-added benefit of membership.

Renewed Demand

Demand for federal sources of liquidity has intensified due to NCUA's proposed rule on *Maintaining Access to Emergency Liquidity* (12 CFR Part 741, published December 2011, updated July 2012), and subsequent actions taken by credit unions to revise their liquidity plans. The FFIEC's *Interagency Policy Statement on Funding and Liquidity Risk Management* is also a factor.

The Program

Alloya prides itself as a liquidity provider for its members. A membership with Alloya offers convenient access to the Federal Reserve Bank's (FRB) Discount Window without having to establish a relationship with the Fed. Once approved, funds may be requested through the FRB for swift deposit into the member's Alloya account.

Advantages

▲ Ease

- ✓ Members leverage their Alloya membership, eliminating the need for a separate FRB account relationship.
- ✓ Alloya has been working with the FRB for several years and is familiar with their collateral requirements, sharing arrangements and paperwork.

▲ Peace of Mind

- ✓ Once approved, the line of credit is continually accessible so advances can be requested when needed.
- ✓ Additional capital is not required for this credit line. (Alloya's traditional line of credit, granted automatically to members, credit-qualified, is a multiple of the member's contributed capital.)
- ✓ Alloya's Lending team is available to field questions and provide ongoing support.

▲ Affordability

- ✓ Market interest rates are established by the Federal Reserve (and passed through unaltered by Alloya).
- ✓ There are no setup fees or annual fees.
- ✓ A compensating balance is not required.

▲ Save Time

- ✓ Liquidity is available swiftly, typically within a few hours of the request being made to Alloya.
- ✓ Funds are deposited into the member's account at Alloya.
- ✓ Loan payments to the Federal Reserve Bank are made automatically the next day, according to FRB rules.

▲ Related Products

- ✓ Central Liquidity Facility (CLF), a federal source of funding
- ✓ ALM and risk-management advisory via Alloya's wholly owned CUSO, Balance Sheet Solutions, LLC

Learn More

Contact your Senior Business Consultant for more details and an overview of the set-up process. If you are not currently a member, please email solutions@alloyacorp.org to be connected with a team member.