

Term Deposit Facility (TDF)

Follow this Step-by-Step Guide to learn more about floating-rate operations in the TDF application.

February 2018



Floating-Rate Operation Timeline

Announcement

Submit Tender

View Results

Settlement

Maturity

Prior to each operation, the Federal Reserve will make an announcement and post the operation details to the Board of Governors' website. On the operation date, after the open time, and prior to the close time, the TDF participant can submit a tender using the TDF application.

All tenders that are complete and compliant with the operation parameters will be accepted in full. After the notification date and time, the aggregate results of the TDF operation will be announced on the Board of Governors' website.

On the settlement date, the TDF participant's settlement account will be debited for its accepted tender amount. The TDF participant now holds a term deposit.

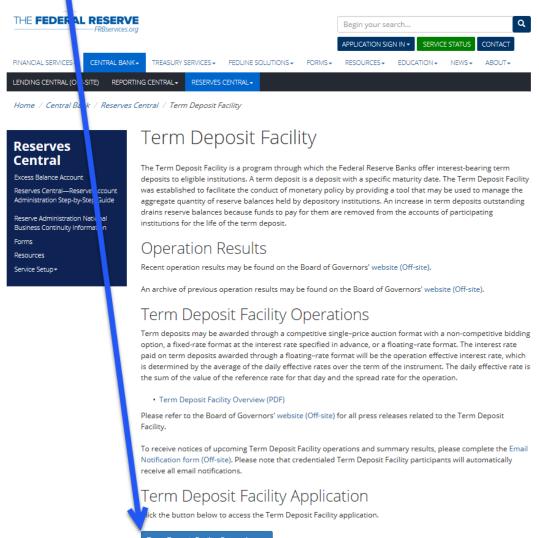
On the maturity date, the TDF participant's settlement account will be credited with principal from the term deposit and the interest earned.* The TDF participant can view interest earned and historical information on its holdings of term deposits in the TDF application.

^{*}The interest rate paid on term deposits awarded through a floating-rate format will be the operation effective interest rate, which is determined by the average of the daily effective rates over the term of the deposit. The daily effective rate is the sum of the value of the reference rate for that day and the spread rate for the operation.



Term Deposit Facility page

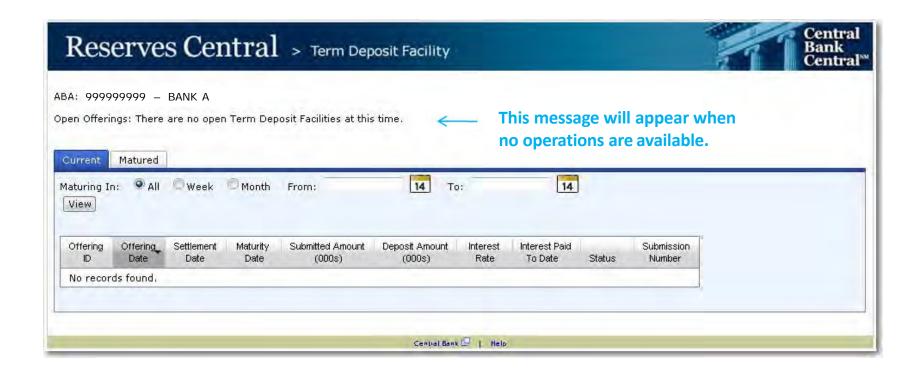
Access the TDF Application



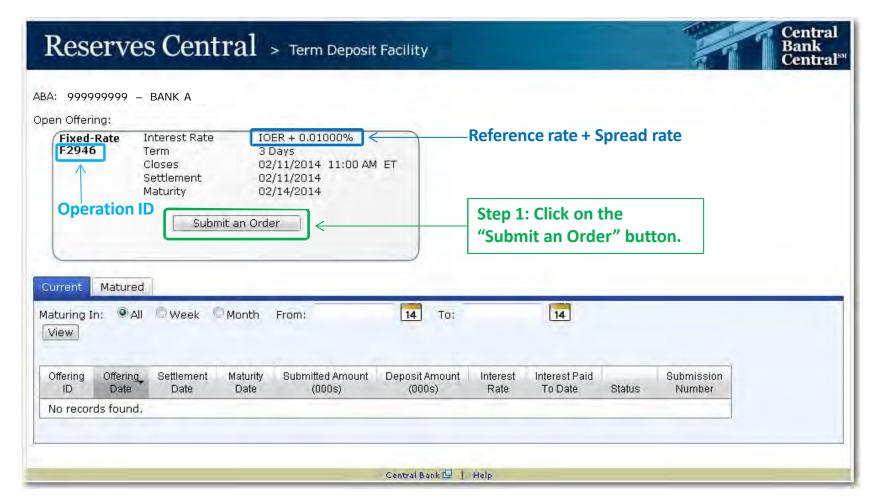


Participant Home Page

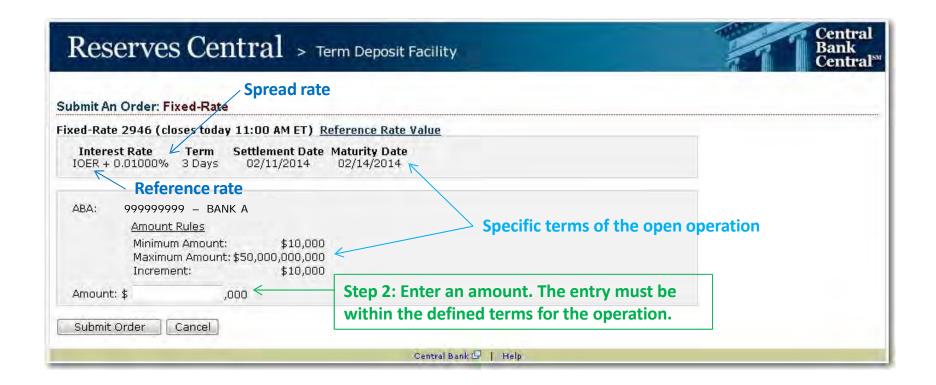
Example: No Operations are available



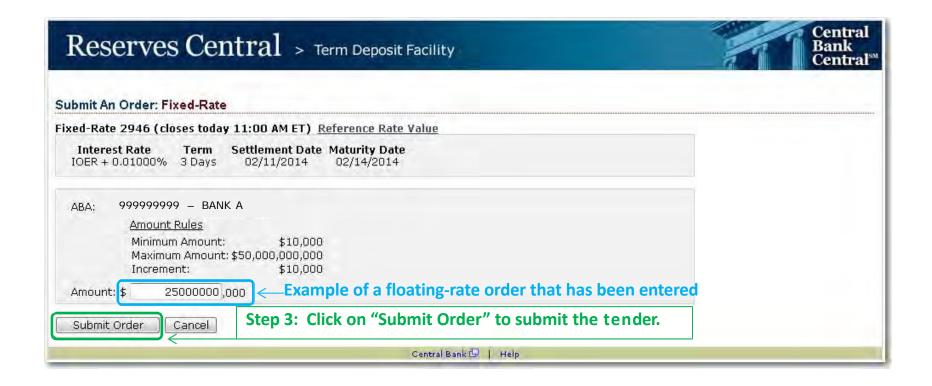




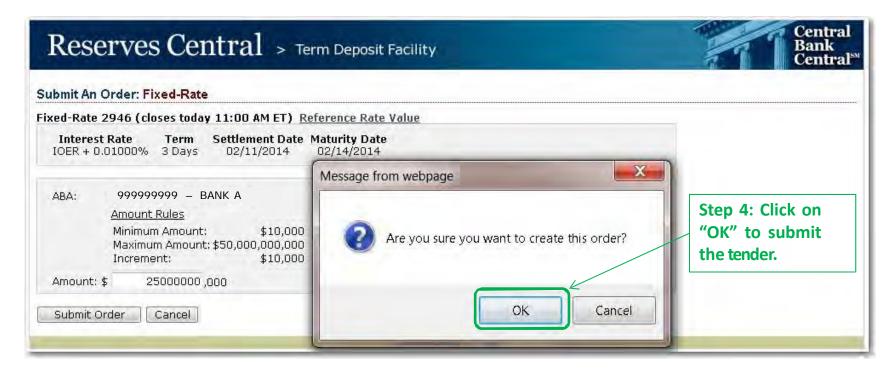






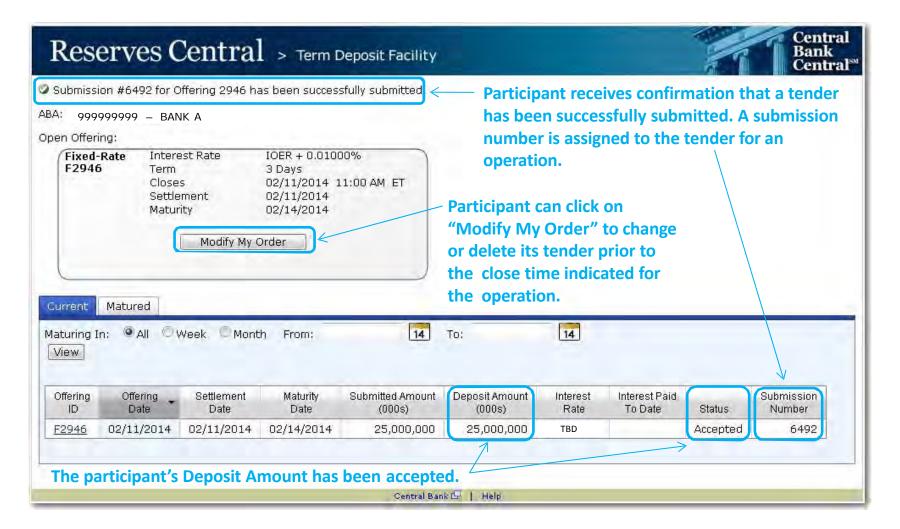






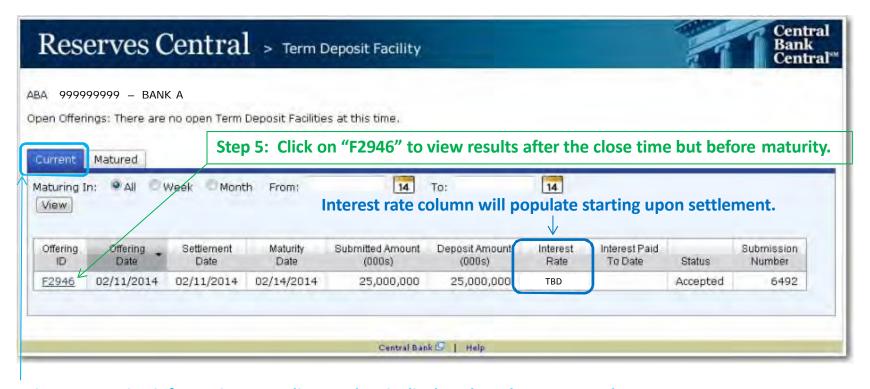
Note: If a participant settles term deposits through a correspondent, it should inform the correspondent of its submitted tender.







View Results: Close Time

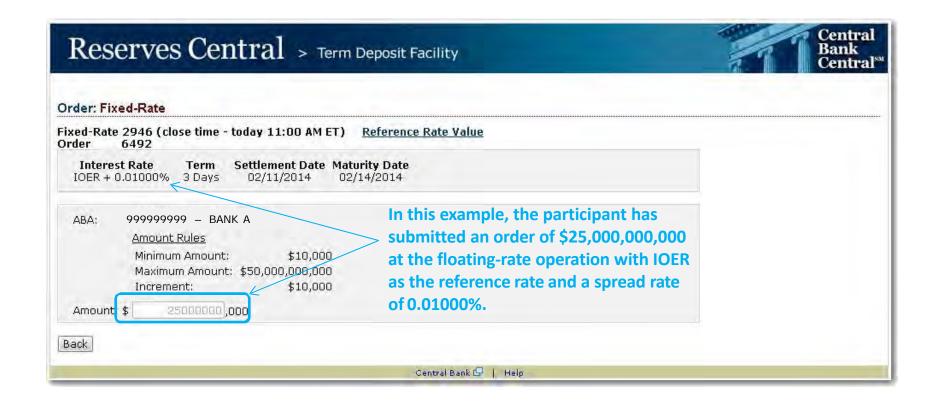


Prior to maturity, information regarding tenders is displayed on the Current tab.

Note: If a participant settles term deposits through a correspondent, it should inform the correspondent of its deposit amount and interest rate.



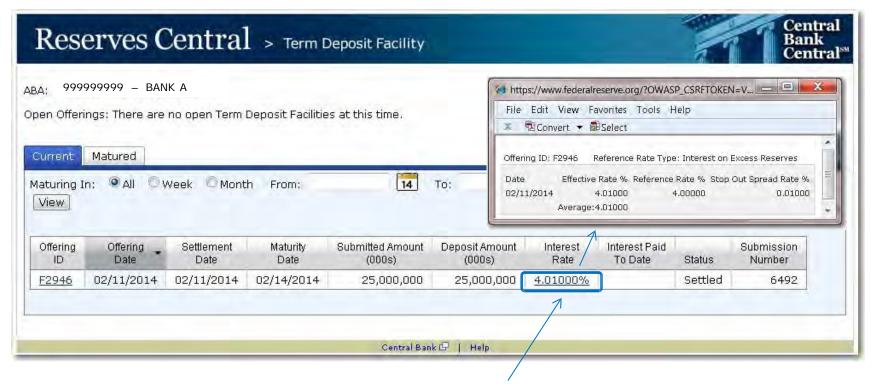
View Results: Close Time



This screen confirms the details of your term deposit for this operation.



Settlement

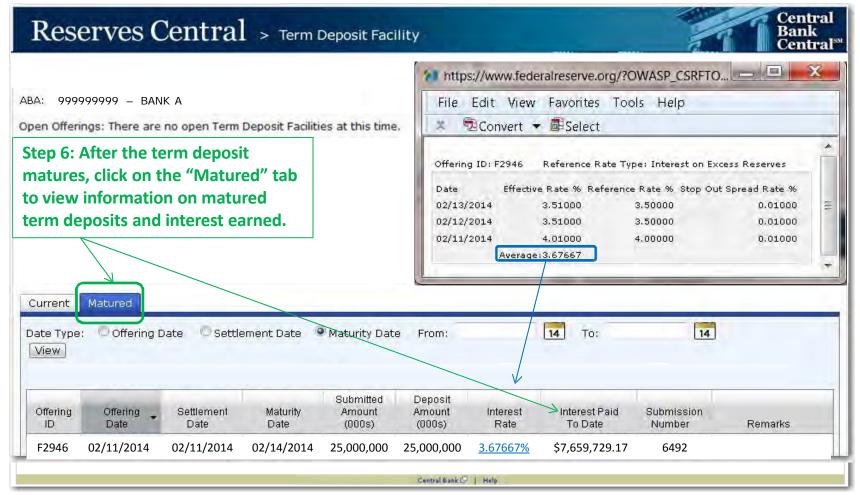


On the settlement date and until maturity, the Interest Rate field will display the current average of the daily effective rates to date.

To see daily effective rates, click here. (The daily effective rate is the sum of the value of the reference rate for that day and the spread rate for the operation).



Maturity



The operation terms used in this example are for illustrative purposes only.

"Central Bank Central" is a service mark of the Federal Reserve Banks. A complete list of marks owned by the Federal Reserve Banks is available at FRBservices.org.