

FEDERAL RESERVE BANK OF NEW YORK  
33 Liberty Street  
NEW YORK, N.Y. 10045-0001

April 2015

**To:** Depository Institutions in the Second Federal Reserve District that May be Eligible for the Federal Reserve's Seasonal Credit Program

**Attention:** Officer in Charge of Funding

**From:** Patrick Dwyer, Assistant Vice President

The purpose of this letter is to re-acquaint you with a long-standing lending program at the Discount Window that gives your institution convenient access to funding based upon seasonal needs.

The Federal Reserve Seasonal Credit Program, which has been in existence since 1973, is designed for financially sound institutions with less than \$500 million in deposits that can demonstrate annual fluctuations in their deposits and lending activity. The fluctuations may be caused by construction, farming, education, tourism, municipal financing or other seasonal activity.

If your institution is interested in being considered for the Seasonal Credit Program for 2015, please complete the attached application. Information required to complete the application includes:

- The desired credit line and expected borrowing term.
- Evidence of the seasonality in your deposits and loan activity. As support, please provide three years of monthly deposits and loans data and the most recent year-to-date securities and federal funds data.

We will advise you within a few days after receipt of the application as to the status of your seasonal credit line request. Any additional information and/or documentation requirements will be communicated at that time. The Federal Reserve Seasonal Credit Program should be used as a complement to your primary funding sources. Once established, the credit line may be drawn down incrementally, as needed, with partial and full prepayments allowed without penalty. Flexibility exists to renegotiate the line or grant an extension when seasonal conditions do not materialize as expected. Loan proceeds can be credited to either your Fed account or to a correspondent bank account. All loans, however, must be secured to our satisfaction.

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](http://www.frbdiscountwindow.org).

**The Federal Reserve Seasonal Credit Program is a safe, sound, flexible and cost effective way to meet your community's peak seasonal funding requirements.** You may return the completed application to us by e-mail to [Discount.Collateral@ny.frb.org](mailto:Discount.Collateral@ny.frb.org)

Of note, in compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Federal Reserve must disclose information regarding Discount Window lending with a two-year lag. Published information includes the identity of the borrower, the loan amount, the interest rate, and summary details of the collateral pledged.

If you would like more information on the Federal Reserve Seasonal Credit Program, or if you have questions about pledging collateral, please feel free to contact our Discount Window staff at the following telephone numbers: (866) 226-5619 or (212/646) 720-5394 or visit our website at <http://www.ny.frb.org/banking/discountwindow.html>.

Sincerely,  
Patrick Dwyer  
Assistant Vice President