Term Deposit Facility (TDF)

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

February 2018
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.

After the notification date and time, the TDF participant can view the results of its tender submission in the TDF application. 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 bid(s). 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.
Term Deposit Facility page
Access the TDF Application

Term Deposit Facility

The Term Deposit Facility is a program through which the Federal Reserve Banks offer interest-bearing term deposits to eligible institutions. A term deposit is a deposit with a specific maturity date. The Term Deposit Facility was established to facilitate the conduct of monetary policy by providing a tool that may be used to manage the aggregate quantity of reserve balances held by depository institutions. An increase in term deposits outstanding drains reserve balances because funds to pay for them are removed from the accounts of participating institutions for the life of the term deposit.

Operation Results
Recent operation results may be found on the Board of Governors’ website (Off-site).

An archive of previous operation results may be found on the Board of Governors’ website (Off-site).

Term Deposit Facility Operations
Term deposits may be awarded through a competitive single-price auction format with a non-competitive bidding option, a fixed-rate format at the interest rate specified in advance, or a floating-rate format. 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 instrument. 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 Overview (PDF)
Please refer to the Board of Governors’ website (Off-site) for all press releases related to the Term Deposit Facility.

To receive notices of upcoming Term Deposit Facility operations and summary results, please complete the Email Notification form (Off-site). Please note that credentialed Term Deposit Facility participants will automatically receive all email notifications.

Term Deposit Facility Application
Click the button below to access the Term Deposit Facility application.
Participant Home Page

Example: No Operations are available

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

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Submit Tender

Step 2: Choose whether to submit a Non-Competitive OR a Competitive tender.

The operation terms used in this example are for illustrative purposes only.
Submit Tender: Competitive

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<table>
<thead>
<tr>
<th>ABA: 999999999 – BANK A</th>
<th>Interest Rate Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Rules</td>
<td>Minimum: $10,000,000</td>
</tr>
<tr>
<td>Increment: $100,000</td>
<td>Increment: 0.01000%</td>
</tr>
</tbody>
</table>

Step 3: If you selected Competitive, then enter an amount and interest rate into one or more rows. Each entry must have a unique interest rate. Entries must be within the defined terms for the operation. The sum of the bids cannot exceed the maximum award amount.

Specific terms of the open operation

- Offering Amount: $50,000,000,000
- Notification of Awards: 2/25/2010
- Settlement Date: 2/25/2010
- Maturity Date: 3/25/2010
- Term: 28 Days
Submit Tender: Competitive

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

Step 4: Click on “Submit” to submit the tender.

Example of a Competitive tender that has been entered
Submit Tender: Non-Competitive

### Reserves Central > Term Deposit Facility

#### Auction Tender

<table>
<thead>
<tr>
<th>Non-Competitive:</th>
<th>opens today 10:00 AM ET and closes today 1:00 PM ET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive:</td>
<td>opens today 10:00 AM ET and closes today 1:00 PM ET</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Offering Amount:</th>
<th>$50,000,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification of Awards:</td>
<td>2/23/2010 10:00 AMET</td>
</tr>
<tr>
<td>Settlement Date:</td>
<td>2/25/2010</td>
</tr>
<tr>
<td>Maturity Date:</td>
<td>3/25/2010 Term: 28 Days</td>
</tr>
</tbody>
</table>

You have two options to enter this auction: **Non-Competitive** (for which you will only enter an amount, and you will receive the Stop-out Rate determined by the auction results), or **Competitive** (for which you will enter an amount plus an interest rate).

- **Non-Competitive**
  - ABA: 1111111111 – BANKB
  - Amount Rules:
    - Minimum Amount: $100,000
    - Maximum Amount: $10,000,000,000
    - Increment: $10,000
  - Total Amount: $100,000.00

- **Competitive**

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**Specific terms of the open operation**

**Step 3:** If you selected Non-Competitive, then enter an amount. The entry must be within the defined terms for the operation.

**The operation terms used in this example are for illustrative purposes only.**
Submit Tender: Non-Competitive

Auction A2628

Non-Competitive: opens today 10:00 AM ET and closes today 1:00 PM ET
Competitive: opens today 10:00 AM ET and closes today 1:00 PM ET

Offering Amount: $50,000,000,000
Notification of Awards: 2/23/2010 10:00 AM ET
Settlement Date: 2/25/2010
Maturity Date: 3/25/2010 Term: 28 Days

You have two options to enter this auction: Non-Competitive (for which you will only enter an amount, and you will receive the Stop-out Rate determined by the auction results), or Competitive (for which you will enter an amount plus an interest rate).

Non-Competitive

ABA: 111111111 - BANK B
Amount Rules
Minimum Amount: $100,000
Maximum Amount: $10,000,000
Increment: $10,000

Amount: $5000,000

Example of a Non-Competitive tender that has been entered

Step 4: Click on “Submit” to submit the tender.

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

Step 5: Click on “OK” to submit the tender. This same message appears whether you submit a Non-Competitive or Competitive tender.

Note: If a participant settles term deposits through a correspondent, it should inform the correspondent of its auction awards when the information becomes available.

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Submit Tender

The participant’s Deposit Amount and Interest Rate are TBD until the Notification Time arrives.

Participant receives confirmation that a tender (whether Competitive or Non-Competitive) has been successfully submitted. A submission number is assigned to the tender for an operation.

Participant can click on “Modify My Tender” to change or delete its tender prior to the close time indicated for the operation.

The operation terms used in this example are for illustrative purposes only.
Prior to maturity, information regarding tenders (including status of Accepted, Deleted, Received, or Rejected) is displayed on the Current tab.

The participant’s Deposit Amount and Interest Rate are displayed. The Status is also changed to Accepted showing that at least part of the tender was accepted for this TDF Operation.

If a participant settles term deposits through a correspondent, it should inform the correspondent of its auction awards.

The operation terms used in this example are for illustrative purposes only.
View Results: Non-Competitive

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

Step 6: Click on “A2628” to view auction results after the Notification Time has passed.

The participant’s Deposit Amount and Interest Rate are displayed.

If a participant settles term deposits through a correspondent, it should inform the correspondent of its auction awards.

The operation terms used in this example are for illustrative purposes only.
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In this example, the participant was awarded a total of $25,000,000,000 at the stop out rate of 0.75%.
In this example, the participant was awarded $5,500,000 at the stop out rate of 0.75%.

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

Step 7: After the term deposit matures, click on the “Matured” tab to view information on matured term deposits and interest earned.

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