

## How to Enroll

Enrolling in TIO auctions is simple, and participation is open to any financially sound TT&L depository.

Call the Term Investment Hotline at 1-800-333-0870 for more detailed instructions and agreements.

## Term Investment Auction Benefits

With TIO you:

- receive advance notice of auctions by e-mail,
- know the length of the term,
- control your investment amount,
- determine your bid rates,
- bid online and
- view results quickly online.

TERMLink™ is Treasury's official Internet-based application for institutions participating in TIO auctions. It gives you the ability to easily, quickly and securely submit tenders for TIO auctions. It also allows you to view the details of your awarded funds. There is no special equipment, software or fees with TERMLink™.

## Term Investment Hotline 1-800-333-0870

TIO auction staff is available between 8 a.m. and 6 p.m. ET to provide more information on term investments, auctions and the TIO program.

### On the Internet:

Treasury's web site, [www.fms.treas.gov/tip](http://www.fms.treas.gov/tip), has:

- *historical information,*
- *an overview of the TIO program and*
- *availability of sign-up for e-mail notification of TIO*
- *announcements and general auction results.*



### Term Investment Option (TIO)

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[Terminvest@stls.frb.org](mailto:Terminvest@stls.frb.org)



# Looking for More Certainty in Your TT&L Funding Options?

Consider enrolling in Term Investment Option (TIO) Auctions.

Exert more control.  
Enroll in TIO today.  
It's fast, simple and secure.



## The Term Investment Option (TIO) Auction

allows your institution to have more flexibility and to exert more control over your Treasury Tax & Loan (TT&L) funds.

The Department of the Treasury (Treasury), through the Federal Reserve System, offers participants the opportunity to obtain funds for a fixed term at a rate determined through a competitive bidding process. Your institution decides whether to participate, how much to bid for, and at what rate(s).

### How It Works

#### TIO Auction Overview



#### Announcement Day

Receive announcement notice by e-mail and view details such as the offering amount and length of term on TERMLink™.

#### Auction Day

Place bids through TERMLink™ by auction close, receive notice that results are available and view results on TERMLink™.

#### Investment Day

Place collateral and receive awarded funds.

#### Maturity Day

Funds are returned and interest is charged and collected.

## Announcement Day

TIO auction participants receive notification that an auction announcement is available via TERMLink™, a secure Internet-based application that sends an e-mail to your institution's designated TIO contacts.

The Treasury auction announcement provides the following information:

- investment ID number,
- offering amount,
- length of the term,
- minimum bid and
- required collateral types.

## Auction Day

TIO auction participants can submit bids on TERMLink™ from the time the auction announcement is available on TERMLink™ until the established auction close time. TIO auctions are single price auctions. All successful bids will be awarded at the lowest accepted bid rate.

Auctions have terms and conditions for the minimum bid, acceptable bid increments and bid format. Details can be found in the announcement and are defined in the TIO auction instructions available from the TIO staff at 1-800-333-0870.

Bids are tendered via TERMLink™ by an authorized bidder for your institution. TIO auction participants submit bids that include an amount and rate for the specified term investment. Bids can be submitted until auction close, when individual participant awards are determined.

An example of a single-rate auction where the offering amount is \$1 billion is shown on the following page.

Treasury awards funds beginning with the highest rates bid through successively lower rates until the offering amount is filled. All successful bidders are awarded their funds at the lowest accepted rate (1.100% in the example). Bids received below that rate would not be awarded any funds (bidder F in the example). In order to avoid placing more funds than the offering amount, Treasury generally prorates bids at the lowest

Institution	Bid Amount	Bid Rate	Award Amount	Cumulative Award Total
A	\$500 million	1.250%	\$500 million	\$500 million
B	\$400 million	1.200%	\$400 million	\$900 million
C	\$50 million	1.150%	\$50 million	\$950 million
D	\$50 million	1.100%	\$25 million	\$975 million
E	\$50 million	1.100%	\$25 million	\$1 billion
F	\$75 million	1.050%	\$0	_____

accepted bid rate (bidders D and E in the example). A prorated bid is a bid where only a percentage of that bid is awarded. All prorated bids receive the same proration percentage.

If you participated in the auction, you will receive confirmation of the results of your awarded funds. If you have subscribed to Treasury's e-mail notification for TIO auction announcements, you will automatically receive e-mail notification of the availability on Treasury's web site of the general auction results.

## Investment Day

On investment day, acceptable collateral for a term investment must be in place before the collateral cutoff time.

Awarded funds are posted to a participant's Reserve Account (or designated correspondent) by the stated settlement time, provided sufficient collateral is pledged. Interest begins accruing the same day funds are invested by Treasury.

## Maturity Day

Awarded funds and interest are due to Treasury at maturity. Principal and interest post to the participant's Reserve Account (or designated correspondent) as separate transactions at settlement time on the maturity date.

Collateral will be released after the TIO funds are returned to Treasury.