

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP /DC/
Form 424B5
November 10, 2014

**Filed Pursuant to Rule 424(b)(5)
Registration File No. 333-199914**

PROSPECTUS SUPPLEMENT
(To prospectus dated November 6, 2014)

National Rural Utilities Cooperative Finance Corporation

Member Capital Securities Series 2013

National Rural Utilities Cooperative Finance Corporation (CFC) is offering to its voting members who are existing CFC security holders from time to time its Series 2013 member capital securities. Each Series 2013 member capital security will mature on a date 30 years from its date of issuance. Unless specified otherwise in the applicable pricing supplement to this prospectus supplement, interest on the Series 2013 member capital securities will be paid on April 1 and October 1 of each year and at maturity. Series 2013 member capital securities may be redeemed at CFC 's option at any time after ten years from issuance. Series 2013 member capital securities will be unsecured obligations of CFC and subordinate to all existing and future senior indebtedness of CFC and all existing and future subordinated indebtedness of CFC that may be held by or transferred to non-members of CFC, but will rank pari passu to CFC 's member subordinated certificates and CFC 's other subordinated indebtedness that may only be held by or transferred to members of CFC, including CFC 's previously-issued and outstanding member capital securities. The Series 2013 member capital securities may not be transferred without the prior written consent of CFC and only CFC 's voting members who are existing CFC security holders may purchase and hold the securities.

The applicable pricing supplement will describe the additional terms of each Series 2013 member capital security. You should read this prospectus supplement, the accompanying prospectus, the applicable pricing supplement and any other offering materials carefully before you invest.

The Series 2013 member capital securities are being offered in minimum denominations of \$25,000 and integral multiples of \$5,000 in excess thereof.

Investing in the Series 2013 member capital securities involves certain risks. See Risk Factors beginning on page S-4 of this prospectus supplement, in the accompanying prospectus and in the documents incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The Series 2013 member capital securities will be offered and sold directly to voting members who are existing CFC security holders. The Series 2013 member capital securities will not be listed on any securities exchange.

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, the applicable pricing supplement and any other offering materials. We have not authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, or any other offering materials is accurate as of any date other than the date on the front cover of this prospectus supplement or other document. You should not assume that the information contained any pricing supplement is accurate as of any date other than the date of the pricing supplement. We are not making an offer of these securities in any state or other jurisdiction where such an offer is not permitted.

The distribution of this prospectus supplement, the accompanying prospectus or any accompanying pricing supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus or any accompanying pricing supplement come should inform themselves about and observe any such restrictions. This prospectus supplement, the accompanying prospectus or any accompanying pricing supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

TABLE OF CONTENTS
Prospectus Supplement

<u>About This Prospectus Supplement, the Prospectus and the Pricing Supplements</u>	Page <u>S-1</u>
<u>Summary</u>	<u>S-2</u>
<u>Risk Factors</u>	<u>S-4</u>
<u>Use of Proceeds</u>	<u>S-6</u>
<u>Description of the Series 2013 Member Capital Securities</u>	<u>S-6</u>
<u>Certain U.S. Federal Income Tax Consequences</u>	<u>S-11</u>
<u>Plan of Distribution</u>	<u>S-13</u>
<u>Legal Matters</u>	<u>S-14</u>
<u>Experts</u>	<u>S-14</u>

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>1</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>1</u>
<u>INCORPORATION BY REFERENCE</u>	<u>2</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>3</u>
<u>THE COMPANY</u>	<u>3</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>4</u>
<u>USE OF PROCEEDS</u>	<u>4</u>
<u>DESCRIPTION OF SENIOR DEBT SECURITIES</u>	<u>4</u>

<u>DESCRIPTION OF SUBORDINATED DEBT SECURITIES</u>	<u>16</u>
<u>GLOBAL SECURITIES</u>	<u>26</u>
<u>PLAN OF DISTRIBUTION</u>	<u>27</u>
<u>LEGAL OPINIONS</u>	<u>29</u>
<u>EXPERTS</u>	<u>29</u>

S-i

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT, THE PROSPECTUS AND THE PRICING SUPPLEMENTS

Except as the context otherwise requires or as otherwise specified in this prospectus supplement or the accompanying prospectus, as used herein, the terms the Company, CFC, we, us, and our refer to National Rural Utilities Cooperative Finance Corporation only. References in this prospectus supplement to U.S. dollars or U.S. \$ or \$ are to the currency of the United States of America.

CFC may use this prospectus supplement, together with the accompanying prospectus, a pricing supplement and any other offering material, to offer CFC's Series 2013 member capital securities from time to time.

This prospectus supplement sets forth certain terms of the Series 2013 member capital securities that CFC may offer. It supplements the description of the debt securities contained in the accompanying prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, this prospectus supplement will apply and supersede that information in the accompanying prospectus.

Each time CFC issues Series 2013 member capital securities, it will attach a pricing supplement to this prospectus supplement and the accompanying prospectus. The pricing supplement will contain the specific description of the Series 2013 member capital securities being offered and the terms of the offering. The pricing supplement may also add, update or change information in this prospectus supplement or the accompanying prospectus. Any information in the pricing supplement or any other offering material that you have been provided, including any changes in the method of calculating interest on any security, that is inconsistent with this prospectus supplement or the accompanying prospectus will apply and supersede that information in this prospectus supplement or the accompanying prospectus. Throughout this prospectus supplement, where we indicate that information may be supplemented in an applicable pricing supplement, that information may also be supplemented in other offering material we provide to you.

It is important for you to read and consider all the information contained in this prospectus supplement, the accompanying prospectus, the applicable pricing supplement and any other offering material in making your investment decision. You should also read and consider the information in the documents CFC has referred you to in **Where You Can Find More Information** on page 1 of the accompanying prospectus.

TABLE OF CONTENTS

SUMMARY

This section summarizes the legal and financial terms of the Series 2013 member capital securities that are described in more detail under the captions "Description of the Series 2013 Member Capital Securities" herein and "Description of Subordinated Debt Securities" in the accompanying prospectus. Final terms of any particular Series 2013 member capital securities will be determined at the time of sale and will be contained in the pricing supplement relating to those Series 2013 member capital securities. The terms of the Series 2013 member capital securities appearing in that pricing supplement may vary from, and if they do vary will supersede, the terms contained in this summary and in "Description of the Series 2013 Member Capital Securities" herein and "Description of Subordinated Debt Securities" in the accompanying prospectus. In addition, in deciding whether to invest in any particular Series 2013 member capital securities you should read the more detailed information appearing elsewhere in this prospectus supplement, the prospectus and in the applicable pricing supplement, together with the documents incorporated by reference and the additional information described in "Where You Can Find More Information" on page 1 of the prospectus.

Issuer

National Rural Utilities Cooperative Finance Corporation

Offerees

Only voting members of CFC who are existing CFC security holders

Securities Being Offered

Member Capital Securities, Series 2013

Minimum Investment

\$25,000, multiples of \$5,000 in excess thereof

Subordination

The Series 2013 member capital securities will be subordinate to all existing and future senior indebtedness of CFC and all existing and future subordinated indebtedness of CFC that may be held by or transferred to non-members of CFC. The Series 2013 member capital securities will rank pari passu with CFC's member subordinated certificates and CFC's other subordinated indebtedness that may only be held by or transferred to members of CFC, including CFC's previously issued and outstanding member capital securities.

Maturity

30 years from the date of issuance

Interest

The Series 2013 member capital securities will bear interest at the fixed or floating rate stated in the applicable pricing supplement from the date on which the Series 2013 member capital securities are issued or from the most recent interest payment date until the principal amount thereof becomes due and payable.

Restrictions on Purchase and Transfer

The Series 2013 member capital securities may not be transferred without CFC's prior written consent and only CFC's voting members who are existing CFC security holders may purchase and hold the Series 2013 member capital securities.

Redemption

The Series 2013 member capital securities will be redeemable at the option of CFC, in whole or in part, at any time after ten years from the date the securities were issued at 100% of the principal amount to be redeemed together with accrued and unpaid interest to the redemption date.

Deferral of Interest Payments

CFC may at its option and from time to time during the term of the Series 2013 member capital securities, defer payment of interest for a period not exceeding ten consecutive semi-annual interest payment periods (or an equivalent period of quarterly or other interest payment periods). During a deferral period, interest will continue to

accrue, but will not be paid on the regular interest payment date. At the end of a deferral period, CFC must pay all interest then accrued

S-2

TABLE OF CONTENTS

and unpaid together with interest thereon at the same rate as specified for the member capital securities to the extent permitted by applicable law.

Payment Restriction

No payment shall be made in respect of Series 2013 member capital securities if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default by CFC in the payment of principal or mandatory prepayments or premium, if any, of sinking funds or interest on any senior or subordinated indebtedness of CFC, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, mandatory prepayments, sinking funds or interest) with respect to any senior or subordinated indebtedness (as defined in the instrument under which the same is outstanding) permitting the holders thereof (or of the indebtedness secured thereby) to accelerate the maturity thereof, and such event of default shall not have been cured or waived or shall not have ceased to exist.

Voting Rights

None

Listing

The Series 2013 member capital securities are not and will not be listed.

Ratings

None

Certificated Form

Each Series 2013 member capital security will be issued in certificated form.

Trustee

The trustee for the Series 2013 member capital securities is U.S. Bank National Association under an indenture dated as of October 15, 1996. The trustee also will act as paying agent and registrar unless noted otherwise in a pricing supplement.

S-3

TABLE OF CONTENTS

RISK FACTORS

Investing in the Series 2013 member capital securities involves significant risks. Before you invest in the securities, you should carefully consider the following risks in addition to the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks and uncertainties discussed in our periodic and current reports filed with the SEC and incorporated herein by reference. In addition to considering the information contained or incorporated by reference elsewhere in this prospectus supplement and the accompanying prospectus, you should not purchase the Series 2013 member capital securities unless you understand the following risks:

Series 2013 member capital securities are subordinate to other CFC debt.

The obligations of CFC under the Series 2013 member capital securities are unsecured and subordinate in right of payment to all existing and future senior indebtedness of CFC and all existing and future subordinated indebtedness of CFC that is holdable by or transferable to non-members of CFC. While CFC's senior unsecured indenture limits the amount of senior indebtedness CFC may incur, there are no terms in the Series 2013 member capital securities that limit CFC's ability to incur additional indebtedness, including indebtedness that ranks senior to the Series 2013 member capital securities. See Description of Subordinated Debt Securities Subordination in the accompanying prospectus.

CFC has the option to defer interest payments.

CFC may, at its option at any time and from time to time during the term of the Series 2013 member capital securities, defer payment of interest for a period not exceeding ten consecutive semi-annual interest payment periods (or an equivalent period of quarterly or other interest payment periods). At the end of a deferral period, CFC must pay all interest then accrued and unpaid. During any deferral period, CFC may not declare or pay any dividend or interest on, or principal of, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its member subordinated certificates, members' equity or patronage capital. Before the end of any deferral period, CFC may further defer the payment of interest, but the deferral period, together with all previous and further deferrals, may not exceed ten consecutive semi-annual interest payment periods (or equivalent thereof) or extend beyond the maturity of the Series 2013 member capital securities. Upon the termination of a deferral period and the payment of all amounts then due, CFC may select a new deferral period, subject to the above conditions.

Should a deferral period occur, a holder of Series 2013 member capital securities will be required to accrue income as original issue discount for U.S. federal income tax purposes even though interest is not being paid on a current basis. See Certain U.S. Federal Income Tax Consequences.

Should CFC declare or make any payment on or redeem, purchase, acquire or make a liquidation payment with respect to any of its members subordinated certificates, members' equity or patronage capital during a deferral period, this would constitute an immediate event of default under the terms of the Series 2013 member capital securities. However, because of the terms of the subordination provisions in CFC's member subordinated certificates, CFC's failure to pay interest on, or principal of, those certificates during a deferral period will not be a default under those securities.

Series 2013 member capital securities may be sold or transferred only to other CFC voting members and may have limited or no liquidity.

The Series 2013 member capital securities will be offered and sold only to voting members of CFC who are existing CFC security holders and may be resold or transferred only to other CFC voting members who are existing CFC security holders only with CFC's prior written consent. The Series 2013 member capital securities are not redeemable at the option of the holder thereof and you may not be able to resell the Series 2013 member capital securities at a price that you wish to receive or at all. The Series 2013 member capital securities are not, and will not be, listed on any securities exchange.

S-4

TABLE OF CONTENTS

We may choose to redeem the Series 2013 member capital securities when prevailing interest rates are relatively low.

The Series 2013 member capital securities are redeemable at the option of CFC, in whole or in part, at any time after ten years from the date the securities were issued and we may choose to redeem your securities from time to time thereafter. Prevailing interest rates at the time we redeem your securities likely would be lower than the rate then borne by the securities. In such a case you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the securities being redeemed.

S-5

TABLE OF CONTENTS

USE OF PROCEEDS

Unless we describe a different use in a particular pricing supplement, the net proceeds from the sale of Series 2013 member capital securities will be added to the general funds of CFC and will be available to fund operations, including the retirement of debt.

DESCRIPTION OF THE SERIES 2013 MEMBER CAPITAL SECURITIES

The following description summarizes the specific terms of the Series 2013 member capital securities supplements and should be read in conjunction with the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus under the caption Description of Subordinated Debt Securities. If any specific information regarding the Series 2013 member capital securities in this prospectus supplement or in a pricing supplement is inconsistent with the terms of the subordinated debt securities described in the accompanying prospectus, you should rely on the information in this prospectus supplement.

The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the description in the indenture.

Principal Amount, Interest and Maturity

The securities will be issued as a series of subordinated debt securities under the indenture dated as of October 15, 1996, between CFC and U.S. Bank National Association, as successor trustee (the indenture). We may issue an unlimited aggregate principal amount of the Series 2013 member capital securities under the indenture. There is no limit on the amount of additional securities similar to the Series 2013 member capital securities that may be issued under the indenture.

The Series 2013 member capital securities will mature 30 years from the date on which they are issued. The Series 2013 member capital securities will bear interest at the fixed or floating rate stated in the applicable pricing supplement from the date on which the Series 2013 member capital securities are issued or from the most recent interest payment date until the principal amount thereof becomes due and payable. Unless specified otherwise in the applicable pricing supplement, interest will be payable in arrears on April 1, October 1 and at maturity, commencing on the first interest payment date after issuance. Unless specified otherwise in the applicable pricing supplement, interest will be payable to the person in whose name the securities are registered at the close of business on March 15 and September 15 of each year.

Unless specified otherwise in the applicable pricing supplement, the first payment of interest on any Series 2013 member capital security originally issued between a regular record date and an interest payment date will be made on the interest payment date following the next regular record date. Interest payments on Series 2013 member capital securities will equal the amount of interest accrued from and including the prior interest payment date or from and including the date of issue, but excluding the related interest payment date or maturity.

In the event that any interest payment date is not a business day, then the interest payment date shall be postponed to the next succeeding business day (without any interest or other payment in respect of any such delay), except that, if such next succeeding business day is in the following month, the interest payment date shall be the immediately

preceding business day. A business day is any week day other than a day on which banking institutions in the Borough of Manhattan, City and State of New York are authorized by law to close or on which CFC is closed.

CFC may change interest rates, or interest rate formulas, from time to time, but no change will affect any Series 2013 member capital security or other member capital security already issued.

Fixed Rate Series 2013 Member Capital Securities

Each fixed rate Series 2013 member capital security will bear interest from its date of issue at the annual rate stated in the applicable pricing supplement. Interest on fixed rate Series 2013 member capital securities will be computed and paid on the basis of a 360-day year of twelve 30-day months.

S-6

TABLE OF CONTENTS

Floating Rate Series 2013 Member Capital Securities

The interest rate on each floating rate Series 2013 member capital security will equal the interest rate calculated by reference to the specified interest rate formula set forth in the applicable pricing supplement plus or minus any spread and/or multiplied by any spread multiplier also set forth in such pricing supplement. The spread is the number of basis points specified in the applicable pricing supplement as applying to the interest rate for the Series 2013 member capital security and the spread multiplier is the percentage specified in the applicable pricing supplement as applying to the interest rate for the Series 2013 member capital security. Interest on floating rate Series 2013 member capital securities will be computed on the basis of the actual number of days in the applicable interest period divided by 360.

The applicable pricing supplement relating to a floating rate Series 2013 member capital security will designate one or more interest rate bases for the floating rate Series 2013 member capital security. The base or bases will be determined by reference to:

LIBOR, in which case the Series 2013 member capital security will be a LIBOR Series 2013 member capital security, or

any other interest rate basis or formula as is set forth in the pricing supplement.

In addition, the pricing supplement may define or specify for each Series 2013 member capital security the following terms, if applicable: calculation date, initial interest rate, interest payment dates, regular record dates, interest determination dates and interest reset dates with respect to the Series 2013 member capital security.

The rate of interest on each floating rate Series 2013 member capital security will be reset according to the index maturity, as specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the interest reset dates will be each April 1 and October 1. However,

the interest rate in effect from the date of issue to the first interest reset date with respect to a floating rate Series 2013 member capital security will be the initial interest rate (as set forth in the applicable pricing supplement), and unless otherwise specified in an applicable pricing supplement, the interest rate in effect for the ten calendar days immediately prior to maturity, if applicable, will be that in effect on the tenth calendar day preceding maturity. If any interest reset date for any floating rate Series 2013 member capital security would otherwise be a day that is not a business day for that floating rate Series 2013 member capital security, the interest reset date for that floating rate Series 2013 member capital security will be postponed to the next business day. For this purpose, business day shall mean

with respect to LIBOR Series 2013 member capital securities only, any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market, and

with respect to any other floating rate Series 2013 member capital security, any week day other than a day on which banking institutions in the Borough of Manhattan, City and State of New York are authorized by law to close.

The interest determination date pertaining to an interest reset date for a LIBOR member capital security will be the second London business day prior to that interest reset date.

The interest rate on the floating rate Series 2013 member capital securities will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. Under present New York law, subject to certain exceptions, the maximum rate of interest for any loan to an individual is 16% for a loan less than \$250,000, and 25% for a loan of \$250,000 or more but less than \$2,500,000, in each case calculated per year on a simple interest basis. There is no limit on the maximum rate of interest on loans made to individuals in an amount equal to \$2,500,000 or more. Under present New York law, the maximum rate of interest which may be charged to a corporation for any loan up to \$2,500,000 is 25% per year on a simple interest basis. There

is no limit on the maximum rate of interest on loans made to corporations in an amount equal to \$2,500,000 or more.

S-7

TABLE OF CONTENTS

Upon the request of the holder of any floating rate Series 2013 member capital security, the calculation agent will provide the interest rate then in effect. If it has been determined, the calculation agent will also provide the interest rate which will become effective as a result of a determination made on the most recent interest determination date with respect to that floating rate Series 2013 member capital security. Unless otherwise provided in the applicable pricing supplement, CFC will be the calculation agent with respect to the floating rate Series 2013 member capital securities. Unless otherwise specified in the applicable pricing supplement, the calculation date, if applicable, pertaining to any interest determination date will be the earlier of the tenth calendar day after such interest determination date, or, if such day is not a business day, the next succeeding business day or the business day preceding the applicable interest payment date or maturity, as the case may be.

All percentages resulting from any calculation on floating rate Series 2013 member capital securities will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from this calculation will be rounded to the nearest cent (with one-half cent or unit being rounded upward).

LIBOR

Unless otherwise specified in the applicable pricing supplement, LIBOR means the rate determined by the calculation agent in accordance with the following procedures:

For an interest determination date relating to a floating rate Series 2013 member capital security for which LIBOR is an applicable base rate, to which we refer as a LIBOR interest determination date, LIBOR will be the rate for deposits in U.S. dollars having the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date that appears on the designated LIBOR page, as defined below, as of 11:00 a.m., London time, on that LIBOR interest determination date.

If no rate appears, as the case may be, on the designated LIBOR page as specified above, the calculation agent will request the principal London offices of each of four major reference banks, which may include one or more of the agents or their affiliates, in the London interbank market, as selected by the calculation agent after consultation with us, to provide its offered quotation for deposits in U.S. dollars for the period of the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that LIBOR interest determination date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

If the reference banks provide at least two such quotations, then LIBOR for that LIBOR interest determination date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, then LIBOR for that LIBOR interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City on that LIBOR interest determination date by three major banks, which may include one or more of the agents or their affiliates, selected by the calculation agent after consultation with us, for loans in U.S. dollars to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

If fewer than three banks selected by the calculation agent are quoting as set forth above, LIBOR with respect to that LIBOR interest determination date will be LIBOR for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

All calculations made by the calculation agent for the purposes of calculating the interest rate on the floating rate Series 2013 member capital securities shall be conclusive and binding on the holders of floating rate Series 2013 member capital securities, CFC and the trustee, absent manifest error.

S-8

TABLE OF CONTENTS

Designated LIBOR page means the display on the Reuters screen LIBOR01 page (or such other page as may replace such page on that service or such other page as may be nominated by the ICE Benchmark Administration Limited, or its successor, for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

Redemption

The Series 2013 member capital securities will be redeemable at the option of CFC, in whole or in part, at any time after ten years from the date the securities were issued at 100% of the principal amount to be redeemed together with accrued and unpaid interest to the redemption date. Notice of any redemption will be mailed at least 30 days but not more than 60 days before the date of redemption to each holder of the Series 2013 member capital securities to be redeemed. Unless CFC defaults in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on such Series 2013 member capital securities or the portion called for redemption.

Option to Defer Interest Payments

CFC may at its option and from time to time during the term of the Series 2013 member capital securities, defer payment of interest for a period not exceeding ten consecutive semi-annual interest payment periods (or an equivalent period of quarterly or other interest payment periods). During a deferral period, interest will continue to accrue, but will not be paid on the regular interest payment date. At the end of a deferral period, CFC must pay all interest then accrued and unpaid together with interest thereon at the same rate as specified for the Series 2013 member capital securities to the extent permitted by applicable law. During a deferral period CFC may not declare or pay any dividend or interest on, or principal of, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its member subordinated certificates, members' equity or patronage capital. Before the end of any deferral period, CFC may further defer the payment of interest, but the deferral period, together with all previous and further deferrals, may not exceed ten consecutive semi-annual interest payment periods (or equivalent thereof) or extend beyond the maturity of the Series 2013 member capital securities. Upon the termination of a deferral period and the payment of all amounts then due, CFC may elect a new deferral period, subject to the above conditions. CFC will inform the holders of Series 2013 member capital securities of its intent to defer payment of interest in writing at least ten business days before the earlier of (i) the next interest payment due date and (ii) the date CFC is required to give notice to holders of the Series 2013 member capital securities of the record or payment date for such interest payment. The notice will indicate the length of the deferral period or the number of semi-annual interest payments that will be deferred.

Subordination

The Series 2013 member capital securities will be unsecured obligations of CFC and subordinate to all existing and future senior indebtedness of CFC and all existing and future subordinated indebtedness of CFC that may be held by or transferred to non-members of CFC. The Series 2013 member capital securities will rank pari passu with CFC's member subordinated certificates and CFC's other subordinated indebtedness that may only be held by or transferred to members of CFC, including CFC's previously issued and outstanding member capital securities.

Payment Restriction

No payment shall be made in respect of Series 2013 member capital securities if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default by CFC in the payment of principal or mandatory prepayments or premium, if any, of sinking funds or interest on any senior or subordinated indebtedness (as defined in

the instrument under which the same is outstanding) of CFC, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, mandatory prepayments, sinking funds or interest) with respect to any senior or subordinated indebtedness (as defined in the instrument under which the same is outstanding) permitting the holders thereof (or of the indebtedness secured thereby) to accelerate the maturity thereof (or of the indebtedness secured thereby), and such event of default shall not have been cured or waived or shall not have ceased to exist.

S-9

TABLE OF CONTENTS

Restrictions on Purchase and Transfer

The securities may not be transferred without CFC's prior written consent and only CFC's voting members who are existing CFC security holders may purchase and hold the securities. Any purported transfer of Series 2013 member capital securities without CFC's prior written consent will be void *ab initio*.

Additional Events of Default

In addition to the events of default described in the accompanying prospectus under the caption "Description of Subordinated Debt Securities - Events of Default, Notice and Waiver," the following will constitute events of default under the indenture with respect to the Series 2013 member capital securities: payment of any dividend or interest on, or principal of, or redemption, purchase, acquisition, retirement or liquidation payment with respect to any member subordinated certificates, members' equity or patronage capital, if such payment is made during an extension period and either (i) such extension period has not expired or been terminated or (ii) CFC has not made all payments due on the Series 2013 member capital securities as a result of such expiration or termination. However, because of the terms of the subordination provisions in CFC's member subordinated certificates, CFC's failure to pay interest on, or principal of, such certificates during an extension period will not be a default thereunder.

Defeasance

The provisions described in the accompanying prospectus under the caption "Description of Subordinated Debt Securities - Satisfaction and Discharge; Defeasance" are applicable to the Series 2013 member capital securities.

As set forth in that description, subject to conditions specified in the indenture, the Series 2013 member capital securities will be deemed paid for purposes of the indenture and the entire indebtedness of CFC will be deemed to have been satisfied and discharged, if there has been irrevocably deposited with the trustee or any paying agent in trust sufficient cash or certain government securities, or a combination of the two, to fully satisfy all principal of and interest on the Series 2013 member capital securities.

Certificated Form

Each Series 2013 member capital security will be issued in certificated form. Payments of principal and any interest on Series 2013 member capital securities payable at maturity or upon redemption will be made in immediately available funds at the office of the paying agent in the Borough of Manhattan, The City of New York. Payments in immediately available funds will be made only if the certificated Series 2013 member capital securities are presented to the paying agent in time for the paying agent to make payments in immediately available funds in accordance with its normal procedures. Interest on Series 2013 member capital securities will be paid by wire transfer in immediately available funds, but only if appropriate instructions have been received in writing by the paying agent on or prior to the applicable regular record date for the payment of interest. If no instructions have been received in writing by the paying agent, the funds will be paid by check mailed to the address of the person entitled to the interest.

Series 2013 member capital securities may be presented for registration of transfer or exchange at the office of U.S. Bank National Association in the Borough of Manhattan, City of New York.

Paying Agent and Registrar

Initially, U.S. Bank National Association, acting through its office in the Borough of Manhattan, City of New York, will act as paying agent and registrar for the Series 2013 member capital securities.

S-10

TABLE OF CONTENTS

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

This section describes certain material U.S. federal income tax consequences to U.S. holders of owning the Series 2013 member capital securities. For purposes of this section, U.S. holder includes any holder that is a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized under the laws of the United States, any state thereof or the District of Columbia. It applies to you only if you acquire Series 2013 member capital securities upon their original issuance at their original offering price and you hold your Series 2013 member capital securities as capital assets for tax purposes. This section generally applies to members of CFC that are subject to U.S. federal income taxation, and does not address all of the tax considerations that may be relevant to a holder in light of its particular circumstances or to holders subject to special tax treatment under U.S. federal income tax law.

This section does not address the effect of any state, local or foreign tax laws.

This section is based on the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

We have not sought any rulings concerning the treatment of the Series 2013 member capital securities, and the statements made in this section are not binding on the Internal Revenue Service (the IRS) or the courts. Investors should consult their tax advisors in determining the specific tax consequences and risks to them of purchasing, holding and disposing of the Series 2013 member capital securities, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Classification of the Series 2013 Member Capital Securities

The determination of whether a security, such as a Series 2013 member capital security, should be classified as indebtedness or equity for U.S. federal income tax purposes requires a judgment based on all relevant facts and circumstances. There is no statutory, judicial or administrative authority that directly addresses the U.S. federal income tax treatment of securities similar to the Series 2013 member capital securities, and, as noted above, no rulings have been sought or are expected to be sought from the IRS. We intend to take the position that the Series 2013 member capital securities are indebtedness of CFC for U.S. federal income tax purposes. The remainder of this discussion assumes that the Series 2013 member capital securities will not be recharacterized as other than indebtedness of CFC. Holders should consult their own tax advisors regarding the consequences that would arise if the Series 2013 member capital securities are not treated as indebtedness of CFC.

Interest Income and Original Issue Discount

Under applicable tax regulations promulgated under the Internal Revenue Code (the Treasury Regulations), a remote contingency that stated interest will not be timely paid will be ignored in determining whether a debt instrument is issued with original issue discount (OID). We believe that the likelihood of our exercising our option to defer payments on the Series 2013 member capital securities is remote within the meaning of the Treasury Regulations. Based on the foregoing, we believe that the Series 2013 member capital securities will not be considered to be issued with OID at the time of their original issuance. Accordingly, each holder of Series 2013 member capital securities should include in gross income that holder's allocable share of interest on the Series 2013 member capital securities in accordance

with that holder's method of tax accounting.

Under the applicable Treasury Regulations, if the option to defer any payment of interest was determined not to be remote, or if we exercised that option, the Series 2013 member capital securities would be treated as issued with OID at the time of issuance or at the time of that exercise, as the case may be, then, all stated interest on the Series 2013 member capital securities would thereafter be treated as OID as long as the Series 2013 member capital securities remained outstanding. In that event, all of a holder's taxable interest income relating to the Series 2013 member capital securities would constitute OID that would have to be included in income on an economic accrual basis before the receipt of the cash attributable to the interest, regardless of that holder's method of tax accounting, and actual distributions of stated interest would not be reported as taxable income. Consequently, a holder of Series 2013 member capital securities would be

S-11

TABLE OF CONTENTS

required to include in gross income OID even though we do not make actual payments on the Series 2013 member capital securities during a deferral period. The IRS has not defined the meaning of the term remote as used in the applicable Treasury Regulations in any binding ruling or interpretation, and it is possible that the IRS could take a position contrary to the interpretation in this prospectus supplement.

Because income on the Series 2013 member capital securities will constitute interest or OID, corporate holders of Series 2013 member capital securities will not be entitled to a dividends-received deduction relating to any income recognized relating to the Series 2013 member capital securities.

Sales of Series 2013 Member Capital Securities

A holder that sells Series 2013 member capital securities will recognize gain or loss equal to the difference between its adjusted tax basis in the Series 2013 member capital securities and the amount realized on the sale of those Series 2013 member capital securities. Assuming that we do not exercise our option to defer payments of interest on the Series 2013 member capital securities and that the Series 2013 member capital securities are not deemed to be issued with OID, a holder's adjusted tax basis in the Series 2013 member capital securities generally will be its initial purchase price. If the Series 2013 member capital securities are deemed to be issued with OID, a holder's tax basis in the Series 2013 member capital securities generally will be its initial purchase price, increased by OID previously includible in that holder's gross income to the date of disposition and decreased by distributions or other payments received on the Series 2013 member capital securities since and including the date that the Series 2013 member capital securities were deemed to be issued with OID. That gain or loss generally will be a capital gain or loss, except to the extent of any accrued interest required to be included in income, and generally will be long-term capital gain or loss if the Series 2013 member capital securities have been held for more than one year.

Should we exercise our option to defer payment of interest on the Series 2013 member capital securities, the Series 2013 member capital securities may trade at a price that does not fully reflect the accrued but unpaid interest relating to the underlying Series 2013 member capital securities. In the event of that deferral, a holder who disposes of its Series 2013 member capital securities between record dates for payments of distributions will be required to include in income as ordinary income accrued but unpaid interest on the Series 2013 member capital securities to the date of disposition and to add that amount to its adjusted tax basis in its Series 2013 member capital securities disposed of. To the extent the selling price is less than the holder's adjusted tax basis, that holder will recognize a capital loss. Capital losses generally cannot be applied to offset ordinary income for U.S. federal income tax purposes.

Information Reporting and Backup Withholding

Income on the Series 2013 member capital securities may be subject to information reporting. In addition, holders may be subject to a backup withholding tax on those payments if they do not provide their taxpayer identification numbers to the paying agent in the manner required, fail to certify that they are not subject to backup withholding tax, or otherwise fail to comply with applicable backup withholding tax rules. Holders may also be subject to information reporting and backup withholding tax with respect to the proceeds from a sale, exchange, retirement or other taxable disposition (collectively, a disposition) of the Series 2013 member capital securities. Any amounts withheld under the backup withholding rules will be allowed as a credit against the holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING

**THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF
THE SERIES 2013 MEMBER CAPITAL SECURITIES, INCLUDING THE TAX CONSEQUENCES UNDER
STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.**

S-12

TABLE OF CONTENTS

PLAN OF DISTRIBUTION

The Series 2013 member capital securities are offered on a continuing basis by CFC on its own behalf directly to its voting members. CFC will have the sole right to accept offers to purchase Series 2013 member capital securities and may reject any such offer, in whole or in part.

Unless otherwise indicated in the applicable pricing supplement, payment of the purchase price of Series 2013 member capital securities will be required to be made in immediately available funds to CFC.

S-13

TABLE OF CONTENTS

LEGAL MATTERS

The validity of the Series 2013 member capital securities offered hereby and certain U.S. tax matters in connection with the offering of Series 2013 member capital securities will be passed upon for CFC by Hogan Lovells US LLP, Columbia Square, 555 Thirteenth Street NW, Washington, D.C.

EXPERTS

The consolidated financial statements of National Rural Utilities Cooperative Finance Corporation as of May 31, 2014, and for the year then ended, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

KPMG LLP's report dated August 28, 2014 refers to its audit of the adoption of Accounting Standards Update No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, and Accounting Standards Update No. 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, as more fully described in Note 16 to the consolidated financial statements. However, KPMG LLP was not engaged to audit, review, or apply any procedures to the 2013 consolidated financial statements other than with respect to this disclosure.

The consolidated financial statements as of May 31, 2013, and for each of the two years in the period ended May 31, 2013, incorporated by reference in this prospectus supplement from our Annual Report on Form 10-K for the year ended May 31, 2014, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference.

Such consolidated financial statements have been so incorporated in reliance upon the reports of such firms given upon their authority as experts in accounting and auditing.

S-14

TABLE OF CONTENTS

PROSPECTUS

National Rural Utilities Cooperative Finance Corporation

Senior Debt Securities
Subordinated Debt Securities

We plan to offer from time to time senior debt securities and subordinated debt securities. We will provide the specific terms of these senior debt securities and subordinated debt securities and the offering in one or more supplements to this prospectus. A prospectus supplement or pricing supplement may also add, change or update information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

We may sell these securities on a continuous or delayed basis directly, through agents, dealers or underwriters as designated from time to time, or through a combination of these methods. We reserve the sole right to accept, and together with any agents, dealers and underwriters, reserve the right to reject, in whole or in part, any proposed purchase of securities. For additional information on the method of sale, refer to the section entitled **Plan of Distribution** below. The names of any underwriters, dealers or agents involved in the sale of any securities, the specific manner in which they may be offered and any applicable commissions or discounts will be set forth in the prospectus supplement covering the sales of those securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these senior debt securities and subordinated debt securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Investing in the senior debt securities and subordinated debt securities involves risks. See **Risk Factors on page **1**.**

This prospectus may not be used to consummate sales of senior debt securities or subordinated debt securities unless accompanied by a prospectus supplement.

The date of this prospectus is November 6, 2014.

TABLE OF CONTENTS

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>1</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>1</u>
<u>INCORPORATION BY REFERENCE</u>	<u>2</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>3</u>
<u>THE COMPANY</u>	<u>3</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>4</u>
<u>USE OF PROCEEDS</u>	<u>4</u>
<u>DESCRIPTION OF SENIOR DEBT SECURITIES</u>	<u>4</u>
<u>DESCRIPTION OF SUBORDINATED DEBT SECURITIES</u>	<u>16</u>
<u>GLOBAL SECURITIES</u>	<u>26</u>
<u>PLAN OF DISTRIBUTION</u>	<u>27</u>
<u>LEGAL OPINIONS</u>	<u>29</u>
<u>EXPERTS</u>	<u>29</u>

i

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS

To understand the terms of the senior debt securities and subordinated debt securities (the securities) offered by this prospectus, you should carefully read this prospectus, any prospectus supplement or pricing supplement. You should also read the documents referred to under the heading Where You Can Find More Information and Incorporation By Reference for information on National Rural Utilities Cooperative Finance Corporation (CFC or the Company), also referred to as we, us and our, including its financial statements. Certain capitalized terms used in this prospectus are defined elsewhere in this prospectus.

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission (the SEC or the Commission), using a shelf registration procedure. Under this procedure, we may offer and sell the securities from time to time. Each time we offer the securities, we will provide you with a prospectus supplement or pricing supplement that will describe the specific amounts, prices and terms of the securities being offered, including the names of any underwriters, dealers or agents, the compensation of any underwriters, dealers or agents and the net proceeds to us. The prospectus supplement may contain information about any material U.S. federal income tax considerations relating to the securities covered by the prospectus supplement. The prospectus supplement or pricing supplement may also add, update or change information contained in this prospectus.

We are not making an offer of these securities in any state or jurisdiction where the offer is not permitted.

RISK FACTORS

Investing in the securities involves significant risks. Before you invest in the securities, in addition to the other information contained in this prospectus and in any prospectus supplement or pricing supplement, you should carefully consider the risks and uncertainties discussed under Forward-Looking Statements and the other information included or incorporated by reference in this prospectus including the information under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended May 31, 2014, as our risk factors may be updated from time to time in our Quarterly Report on Form 10-Q and in other filings we may make from time to time with the SEC after the date of the registration statement of which this prospectus is a part. Any of these risk factors, as well as other risks and uncertainties, could harm our financial condition, results of operations or cash flows.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. Our SEC filings are also available to the public at the SEC's website at <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended (the Securities Act) relating to the securities covered by this prospectus. As permitted by SEC rules, this prospectus may not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available through the SEC's Public Reference Room or website.

TABLE OF CONTENTS

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus information we have filed with the SEC, which means that we can disclose important information to you by referring you to those filed documents. The information incorporated by reference is an important part of this prospectus, and the information we subsequently file with the SEC will automatically update and supersede the information in this prospectus. Absent unusual circumstances, we will have no obligation to amend this prospectus, other than filing subsequent information with the SEC. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) until this offering is completed:

Annual Report on Form 10-K for the year ended May 31, 2014 (filed August 28, 2014);
Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 (filed October 14, 2014);
Current Report on Form 8-K, dated October 6, 2014 (filed October 10, 2014);
Current Report on Form 8-K, dated October 28, 2014 (filed October 31, 2014); and
Current Report on Form 8-K, dated October 31, 2014 (filed October 31, 2014).

We are not incorporating by reference any document or information that is deemed to be furnished and not filed in accordance with SEC rules.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings from the SEC as described under **Where You Can Find More Information**. You may also request, at no cost (other than an exhibit to these filings unless we have incorporated that exhibit by reference into this registration statement), a copy of these filings by writing to or telephoning us at the following address:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, VA 20166-6691
(703) 467-1800
Attn: J. Andrew Don
Senior Vice President and Chief Financial Officer

These filings are also available through the Financial Reporting subsection of the Investor Relations section of our website: www.nrucfc.coop. Information on our website does not constitute a part of this prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement or pricing supplement. We have not authorized anyone, including any salesman or broker, to provide you with different information. You should not assume that the information contained or incorporated by reference in this prospectus, any prospectus supplement or any pricing supplement is accurate

as of any date other than the date on the front cover of the document in question.

2

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This prospectus, including the information incorporated by reference herein, contains forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identified by our use of words such as intend, plan, may, should, will, project, anticipate, believe, expect, continue, potential, opportunity and similar expressions, whether in the negative or affirmative. All statements about future expectations or projections, including statements about loan volume, the appropriateness of the allowance for loan losses, operating income and expenses, leverage and debt-to-equity ratios, borrower financial performance, impaired loans, and sources and uses of liquidity, are forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, actual results and performance could materially differ. Factors that could cause future results to vary from current expectations include, but are not limited to, general economic conditions, legislative changes including those that could affect our tax status, governmental monetary and fiscal policies, demand for our loan products, lending competition, changes in the quality or composition of our loan portfolio, changes in our ability to access external financing, changes in the credit ratings on our debt, valuation of collateral supporting impaired loans, charges associated with our operation or disposition of foreclosed assets, regulatory and economic conditions in the rural electric industry, non-performance of counterparties to our derivative agreements and the costs and effects of legal or governmental proceedings involving CFC or its members. Some of these and other factors are discussed in our annual and quarterly reports previously filed with the SEC. Except as required by law, we undertake no obligation to update or publicly release any revisions to forward-looking statements to reflect new information, events, circumstances or changes in expectations after the date on which the statement is made.

THE COMPANY

CFC is a member-owned cooperative association incorporated under the laws of the District of Columbia in April 1969. CFC's principal purpose is to provide its members with financing to supplement the loan programs of the Rural Utilities Service of the United States Department of Agriculture. CFC makes loans to its rural electric members so they can acquire, construct and operate electric distribution, generation, transmission and related facilities. CFC also provides its members with credit enhancements in the form of letters of credit and guarantees of debt obligations. As a cooperative, CFC is owned by and exclusively serves its membership, which consists solely of not-for-profit entities or subsidiaries or affiliates of not-for-profit entities. CFC is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. As a member-owned cooperative, CFC has no publicly held equity securities outstanding. CFC funds its activities primarily through a combination of publicly and privately held debt securities and member investments. As a member owned cooperative, CFC's objective is not to maximize profit, but rather to offer its members cost-based financial products and services consistent with sound financial management. CFC annually allocates its net earnings, which consists of net income excluding the effect of certain non-cash accounting entries, to a cooperative education fund, a members' capital reserve, a general reserve, if necessary, and to members based on each member's patronage of CFC's loan programs during the year. The Company's headquarters are located at 20701 Cooperative Way, Dulles, VA 20166-6691 and its telephone number is (703) 467-1800.

For financial statement purposes, CFC's results of operations and financial condition are consolidated with and include Rural Telephone Finance Cooperative (RTFC) and National Cooperative Services Corporation (NCSC). CFC also consolidates the financial results of certain entities created and controlled by CFC to hold foreclosed assets and to accommodate loan securitization transactions.

RTFC is a cooperative association originally incorporated in South Dakota in 1987 and reincorporated as a member-owned cooperative association in the District of Columbia in 2005. RTFC's principal purpose is to provide financing for its rural telecommunications members and their affiliates. RTFC's membership consists of a combination of not-for-profit entities and for-profit entities. CFC is the sole lender to and manages the business operations of RTFC through a management agreement in effect until December 1, 2016, which is automatically renewed for one-year terms thereafter unless terminated by either party. Under a guarantee agreement, RTFC pays CFC a fee and, in exchange, CFC reimburses RTFC for loan losses. RTFC is

TABLE OF CONTENTS

headquartered with CFC in Dulles, Virginia. RTFC is a taxable cooperative that pays income tax based on its net income, excluding patronage-sourced net earnings allocated to its patrons, as permitted under Subchapter T of the Internal Revenue Code.

NCSC was incorporated in 1981 in the District of Columbia as a member-owned cooperative association. The principal purpose of NCSC is to provide financing to members of CFC, entities eligible to be members of CFC and the for-profit and non-profit entities that are owned, operated or controlled by, or provide significant benefit to Class A, B and C members of CFC. As of August 31, 2014, NCSC's membership consisted primarily of distribution systems, power supply systems and statewide and regional associations that were members of CFC. CFC is the primary source of funding to and manages the business operations of NCSC through a management agreement that is automatically renewable on an annual basis unless terminated by either party. Under a guarantee agreement, NCSC pays CFC a fee and, in exchange, CFC reimburses NCSC for loan losses. NCSC is headquartered with CFC in Dulles, Virginia. NCSC is a taxable cooperative. Thus, NCSC pays income tax based on its reportable taxable income and deductions.

At August 31, 2014, after taking into consideration systems that are members of both CFC and NCSC and eliminating memberships between CFC, RTFC and NCSC, our consolidated membership totaled 1,460 members and 228 associates. Our consolidated members include 838 electric distribution systems, 71 power supply systems, 486 telecommunication members, 64 statewide and regional associations, and one national association of cooperatives. The service territories of our electric distribution systems, power supply systems and telecommunication members are located in 49 states, the District of Columbia and two U.S. territories.

RATIO OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges for the Company for each of the five years ended May 31, 2014, 2013, 2012, 2011 and 2010 are included in Exhibit 12 to our Annual Report on Form 10-K for the year ended May 31, 2014, and are incorporated by reference into this prospectus. The ratio of earnings to fixed charges for the Company for the three months ended August 31, 2014 is included in Exhibit 12 to our Quarterly Report on Form 10-Q for the quarter ended August 31, 2014 Form 10-Q, and is also incorporated by reference into this prospectus.

USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement or pricing supplement, the net proceeds from the sale of the securities will be added to the general funds of CFC and will be available for loans and for use in connection with the retirement of debt.

DESCRIPTION OF SENIOR DEBT SECURITIES

The following description summarizes the general terms and provisions that may apply to the senior debt securities. Each prospectus supplement or pricing supplement will state the particular terms of the senior debt securities and the extent, if any, to which the general terms and provisions described herein may apply to the senior debt securities included in the prospectus supplement or pricing supplement.

The senior debt securities will be issued under a senior indenture dated as of December 15, 1987, as supplemented by a First Supplemental senior indenture dated as of October 1, 1990, between CFC and U.S. Bank National Association, as successor trustee (as so supplemented, the "senior indenture"). The senior indenture does limit the aggregate principal

amount of senior indebtedness which may be issued under it, as described below under Restriction on Indebtedness .

Additionally, CFC may, without the consent of the holders of the senior debt securities of any series, re-open a previous series of senior debt securities and issue additional senior debt securities of the same series, which additional senior debt securities will have the same terms as the original series except for the issue price, issue date and, in some cases, the first interest payment date. CFC will not issue any additional senior debt securities of the same series unless the additional senior debt securities will be fungible with all senior debt securities of the same series for U.S. federal income tax purposes.

TABLE OF CONTENTS

The statements in this prospectus concerning the senior indenture, one or more supplemental senior indentures and the senior debt securities do not purport to be complete and are qualified in their entirety by reference to the senior indenture and any supplemental senior indenture, each of which is or will be incorporated by reference into this prospectus.

General

The senior debt securities will be issued in fully registered form without coupons unless the applicable prospectus supplement provides for an issuance to be in a form registered as to principal only with or without coupons or in bearer form with or without coupons or any combination thereof. Senior debt securities may also be issued in temporary or definitive global bearer form. Unless specified otherwise in the prospectus supplement or pricing supplement, all senior debt securities will be denominated in U.S. dollars, registered senior debt securities will be issued in denominations of \$1,000 and multiples of \$1,000 and bearer senior debt securities will be issued in denominations of \$5,000 and multiples of \$5,000. (Sections 201 and 302)

The senior debt securities will be direct, unsecured obligations of CFC. CFC also issues secured senior debt in the form of collateral trust bonds and privately placed senior secured notes, secured by a pledge of member loans. At August 31, 2014, CFC had \$6,258 million in aggregate principal amount of collateral trust bonds and \$1,474 million of senior secured notes outstanding.

If any of the senior debt securities are offered in a foreign currency or currency unit or if principal of, any premium or any interest on any of the senior debt securities is payable in any foreign currency or currency unit, the applicable prospectus supplement will describe the restrictions, elections, specific terms and other information relative to those senior debt securities.

CFC may issue senior debt securities in one or more series with the same or various maturities at or above par or with an original issue discount. Original issue discount securities bearing no interest or interest at a rate which at the time of issuance is below market rates will be sold at a discount (which may be substantial) below their stated principal amount. See disclosure regarding taxation contained in the relevant prospectus supplement for a discussion of certain federal income tax considerations with respect to any original issue discount securities.

The prospectus supplement or pricing supplement relating to the particular series of senior debt securities being offered will specify the amounts, prices and terms of such securities. These terms may include:

- the title of and the limit on the aggregate principal amount of senior debt securities to be issued;
- the percentage of their principal amount at which the senior debt securities will be sold;
- the date or dates on which the senior debt securities will mature;
- the annual rate or rates (which may be fixed or variable) or the method of determining any rate or rates at which the senior debt securities will bear interest;
- the date or dates from which such interest shall accrue and the date or dates at which interest will be payable;
- the place where payments may be made on the senior debt securities;
- any redemption or sinking fund terms;
- the denominations in which the senior debt securities will be issuable, if other than \$1,000 and any integral multiple thereof (if registered) or \$5,000 and any integral multiple thereof (if bearer);
- the principal amount of original issue discount senior debt securities payable upon acceleration;
- the means of satisfaction and discharge of the senior indenture with respect to the senior debt securities;

if the amount payable in respect of principal of or any premium or interest on any of such senior debt securities may be determined with reference to an index or other fact or event ascertainable outside the senior indenture, the manner in which the amounts will be determined;

5

TABLE OF CONTENTS

if other than the currency of the United States, the currency, currencies or currency unit or units in which the payment of principal of and any premium and interest on such senior debt securities will be made;

if other than the principal amount of the senior debt securities, the portion of the principal amount of the senior debt securities payable upon declaration of acceleration of the maturity;

if the principal of or premium or interest on the senior debt securities are to be payable in securities or other property, the type and amount of securities or other property, or the method of determining the amount, and the terms and conditions of the election;

the terms, if any, on which senior debt securities may be converted into or exchanged for securities of CFC or any other person;

the obligations or instruments, if any, considered eligible obligations in respect of senior debt securities denominated in a currency other than dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of CFC's indebtedness in respect of the senior debt securities after their satisfaction and discharge;

if either CFC or the holders of senior debt securities may elect payment in a currency, currencies or currency unit or units other than that in which the senior debt securities are stated to be payable, then the period or periods within which, and the terms upon which, the election may be made and, if the amount of those payments may be determined with reference to an index based on a currency, currencies or currency unit or units, other than that in which the senior debt securities are stated to be payable, then the manner in which such amounts shall be determined;

whether the senior debt securities will be issued as registered senior debt securities, in a form registered as to principal only with or without coupons, or as bearer senior debt securities including temporary and definitive global form, or any combination thereof and applicable exchange provisions;

whether CFC will pay additional amounts to any holder of senior debt securities who is not a United States person (as defined in the disclosure relating to tax matters contained in the relevant prospectus supplement) in respect of any tax, assessment or governmental charge required to be withheld or deducted and whether CFC will have the option to redeem the applicable senior debt securities rather than pay additional amounts;

the applicability to the series of the senior indenture defeasance provisions;

whether the covenants described below under **Restriction on Indebtedness** will apply to the senior debt securities; any limitations on the rights of the holders of senior debt securities to transfer or exchange or to obtain the registration of transfer of senior debt securities, and the amount or terms of a service charge if any for the registration of transfer or exchange of senior debt securities;

any changes or additions to the events of default or covenants described in this prospectus; and

any other terms of the senior debt securities not inconsistent with the provisions of the senior indenture. (Section 301)

Exchange, Registration and Transfer

Unless otherwise specified in the applicable prospectus supplement, registered senior debt securities of any series that are not global senior debt securities will be exchangeable for other registered senior debt securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations. In addition, if senior debt securities of any series are issuable as both registered senior debt securities and bearer senior debt securities, the holder may choose, upon written request and subject to the terms of the senior indenture, to exchange bearer senior debt securities and the appropriate related coupons of that series into registered senior debt securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Bearer senior debt securities with attached coupons surrendered in

TABLE OF CONTENTS

exchange for registered senior debt securities between a regular record date or a special record date and the relevant interest payment date must be surrendered without the coupon relating to that interest payment date and interest will not be payable on that interest payment date in respect of the registered senior debt security issued in exchange for that bearer debt security. The interest will be payable only to the holder of that coupon when due in accordance with the terms of the senior indenture. Bearer senior debt securities will not be issued in exchange for registered senior debt securities. No service charge will be made for any registration of transfer or exchange of the senior debt securities but CFC may require payment of a sum sufficient to cover any applicable tax or other governmental charge. (Section 305)

You may present senior debt securities for exchange as provided above. In addition, you may present registered senior debt securities for registration of transfer together with the duly executed form of transfer at the office of the security registrar or at the office of any transfer agent designated by CFC for that purpose with respect to any series of senior debt securities referred to in an applicable prospectus supplement. The security registrar or the transfer agent will effect the transfer or exchange upon being satisfied with the documents of title and identity of the person making the request. CFC has appointed U.S. Bank National Association as security registrar. (Section 305) If a prospectus supplement refers to any transfer agents (in addition to the security registrar) initially designated by CFC with respect to any series of senior debt securities, CFC may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts. However, if senior debt securities of a series are issuable solely as registered senior debt securities, CFC will be required to maintain a transfer agent in each place of payment for such series and, if senior debt securities of a series are issuable as bearer senior debt securities, CFC will be required to maintain (in addition to the security registrar) a transfer agent in a place of payment for such series. CFC may at any time designate additional transfer agents with respect to any series of senior debt securities. (Section 1002)

In the event of any redemption in part, CFC will not be required to:

issue, register the transfer of or exchange senior debt securities of any series during a period beginning at the opening of business 15 days before any selection of senior debt securities of that series to be redeemed and ending at the close of business on:

if senior debt securities of the series are issuable only as registered senior debt securities, the day of mailing of the relevant notice of redemption;

if senior debt securities of the series are issuable only as bearer senior debt securities, the day of the first publication of the relevant notice of redemption; or

if senior debt securities of the series are issuable as registered senior debt securities and bearer senior debt securities and there is no publication of the relevant notice of redemption, the day of mailing of the relevant notice of redemption;

register the transfer of or exchange any registered senior debt security, or portion thereof, so called for redemption, except the unredeemed portion of any registered senior debt security being redeemed in part; or exchange any bearer senior debt security so called for redemption, except to exchange such bearer senior debt security for a registered senior debt security of that series and like tenor which is simultaneously surrendered for redemption. (Section 305)

Payment and Paying Agents

Unless otherwise specified in an applicable prospectus supplement or pricing supplement, payment of principal and any premium and any interest on registered senior debt securities will be made at the office of the paying agent or paying agents that CFC may designate from time to time. Unless otherwise specified in an applicable prospectus supplement or pricing supplement, CFC will make payment of any installment of interest on registered senior debt securities to the person in whose name that registered senior debt security is registered at the close of business on the

regular record date for such interest. (Section 307)

7

TABLE OF CONTENTS

Unless otherwise specified in an applicable prospectus supplement or pricing supplement, the office of U.S. Bank National Association in the Borough of Manhattan, The City of New York will be designated as sole paying agent for payments with respect to senior debt securities that are issuable solely as registered senior debt securities and as CFC s paying agent in the Borough of Manhattan, The City of New York, for payments with respect to senior debt securities. Any paying agents outside the United States and any other paying agents in the United States initially designated by CFC for the senior debt securities of a particular series will be named in an applicable prospectus supplement or pricing supplement. CFC may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, but if senior debt securities of a series are issuable solely as registered senior debt securities, CFC will be required to maintain a paying agent in each place of payment for such series. (Section 1002)

If senior debt securities of a series are issuable as bearer senior debt securities, CFC will be required to maintain:

a paying agent in the Borough of Manhattan, The City of New York, for payments with respect to any registered senior debt securities of that series and for payments with respect to bearer senior debt securities of that series in certain circumstances; and

a paying agent in a place of payment located outside the United States where senior debt securities of such series and any coupons may be presented and surrendered for payment. (Section 1002)

All moneys paid by CFC to a paying agent for the payment of principal, premium or interest on any senior debt security that remains unclaimed at the end of two years after becoming due and payable will be repaid to CFC. After that time, the holder of that senior debt security or relevant coupon will, as an unsecured general creditor, look only to CFC for payment of those amounts. (Section 1003)

Redemption

Any terms for the optional or mandatory redemption of senior debt securities will be set forth in the applicable prospectus supplement or pricing supplement. Unless otherwise provided in the applicable prospectus supplement with respect to senior debt securities that are redeemable at the option of the holder, senior debt securities will be redeemable only upon notice not less than 30 nor more than 60 days prior to the date fixed for redemption. If less than all of the senior debt securities of a series or tranche are to be redeemed, the particular senior debt securities to be redeemed will be selected by a method of selection that the trustee deems fair and appropriate. (Sections 1103 and 1104)

Restriction on Indebtedness

CFC may not incur any indebtedness