

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP /DC/  
Form 424B5

April 29, 2019

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Registration No. 333-221261

The information in this Preliminary Prospectus Supplement is not complete and may be changed. This Preliminary Prospectus Supplement and the accompanying Prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated April 29, 2019

Prospectus Supplement

(To prospectus dated November 1, 2017)

National Rural Utilities

Cooperative Finance Corporation

\$

% Subordinated Notes due 2064

(Subordinated Deferrable Interest Notes)

This is an offering by National Rural Utilities Cooperative Finance Corporation of \$ aggregate principal amount of its

% Subordinated Notes due 2064 (Subordinated Deferrable Interest Notes) (the “Notes”). The Notes are our unsecured, subordinated debt instruments and will bear interest at the rate of % per year. Interest on the Notes is payable quarterly in arrears on , , and of each year, beginning on , occurred and is continuing, we have the right, on one or more occasions, to extend the payment of interest on the Notes as described in this prospectus supplement for one or more consecutive interest periods not exceeding forty (40) consecutive quarterly periods. Extended interest will accrue additional interest at a rate equal to the interest rate on the Notes.

The Notes will be issued only in denominations of \$25 and integral multiples in excess thereof.

We may redeem the Notes at our option, at the times and at the applicable redemption price described in this prospectus supplement under the section “Description of the Notes — Optional Redemption.” The Notes will be unsecured and will rank subordinate in right of payment to all of our current and future senior indebtedness. The Notes will be senior to our members’ subordinated certificates. The Notes will rank equal in right of payment and upon liquidation to our outstanding subordinated notes and any other equally-ranked subordinated notes we may issue.

The Notes will constitute a new series of securities with no established trading market. We will apply to list the Notes for trading on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Notes are first issued.

The Notes are not insured or guaranteed by any governmental agency.

Investing in the Notes involves certain risks. You should consider the information under the heading “Risk Factors” on page S-6 of this prospectus supplement before investing in the Notes.

None of the United States Securities and Exchange Commission, any state securities commission or any foreign governmental agency has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total(2)
Price to the public(1)	\$	
Underwriting discount(3)	\$	
Proceeds, before expenses, to us(3)	\$	

(1)  
Plus accrued interest, if any from , 2019 if settlement occurs after that date.

(2)

Assumes no exercise of the underwriters' option to purchase additional Notes as described below.

(3)

An underwriting discount of \$ \_\_\_\_\_ per Note sold in this offering (or up to \$ \_\_\_\_\_ for all Notes) will be deducted from the proceeds paid to us by the underwriters. However, the discount will be \$ \_\_\_\_\_ per Note for sales to institutions. As a result of sales to certain institutions, the total underwriting discount and the total proceeds to us (after deducting such discount) will equal \$ \_\_\_\_\_ and \$ \_\_\_\_\_, respectively.

We have granted the underwriters an option to purchase up to an additional \$ \_\_\_\_\_ aggregate principal amount of Notes to cover over-allotments, if any, for 30 days following the date of this prospectus supplement. Should the underwriters exercise this option in full, upon the exercise of the option, the total initial price to the public, underwriting discount and proceeds to us (before expenses) will equal \$ \_\_\_\_\_, \$ \_\_\_\_\_ and \$ \_\_\_\_\_, respectively.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V., on or about \_\_\_\_\_, 2019.

J.P. Morgan Securities LLC and RBC Capital Markets, LLC acted as joint structuring advisors for this transaction.

Joint Book-Running Managers

J.P. Morgan      RBC Capital Markets

The date of this prospectus supplement is \_\_\_\_\_, 2019

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any written communication from us or the underwriters specifying the final terms of the offering. We have not, and the underwriters have not, authorized anyone to provide you with different information. You should not assume that the information incorporated by reference or contained in this prospectus supplement, the accompanying prospectus and any written communication from us or the underwriters specifying final terms of the offering is accurate as of any date other than its respective date. We are not, and the underwriters are not, making an offer of these Notes in any state or other jurisdiction where such an offer is not permitted.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus 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.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the offering. Generally, the term “prospectus” refers to both parts combined.

It is important for you to read and consider all information contained in or incorporated by reference in this prospectus supplement and accompanying prospectus in making your investment decision. You should also read and consider the information contained in the documents to which we have referred you in “Where You Can Find More Information” in this prospectus supplement and accompanying prospectus.

All references in this prospectus supplement to “CFC,” the “Company,” “we,” “us,” “our” or similar references mean National Rural Utilities Cooperative Finance Corporation and its successors, and include our consolidated subsidiaries where the context so requires. References in this prospectus supplement to “\$” and “dollars” are to currency of the United States.

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SUMMARY

This summary highlights selected information from this prospectus supplement and is therefore qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. It may not contain all the information that is important to you. We urge you to read carefully this entire prospectus supplement and the other documents to which it refers to understand fully the terms of the Notes and the offering. Investing in the Notes involves risk. See “Risk Factors” in this prospectus supplement for more information.

National Rural Utilities Cooperative Finance Corporation

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 and transmission (“power supply”) systems 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 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 of 1986, as amended (the “Internal Revenue Code”). 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 (i) a cooperative education fund; (ii) a general reserve, if necessary; (iii) members based on each member’s patronage of CFC’s loan programs during the year; and (iv) a members’ capital reserve. As a Section 501(c)(4) tax-exempt, member-owned cooperative, CFC cannot issue equity securities. CFC funds its activities primarily through a combination of publicly and privately held debt securities and member investments. The Company’s headquarters are located at 20701 Cooperative Way, Dulles, VA 20166 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 National Cooperative Services Corporation (“NCSC”), Rural Telephone Finance Cooperative (“RTFC”) and subsidiaries created and controlled by CFC to hold foreclosed assets resulting from defaulted loans or bankruptcy. CFC did not carry any foreclosed assets on its consolidated balance sheet as of May 31, 2018 or May 31, 2017.

NCSC is a taxable cooperative incorporated in 1981 in the District of Columbia as a member-owned cooperative association. The principal purpose of NCSC is to provide financing to its members, government or quasi-government entities which own electric utility systems that meet the Rural Electrification Act definition of “rural,” and the for-profit and non-profit entities that are owned, operated or controlled by, or provide significant benefits to certain members of CFC. As of February 28, 2019, NCSC’s membership consisted of distribution systems, power supply systems and statewide and regional associations that were members of CFC. CFC, which is the primary source of funding for NCSC, manages NCSC’s business operations under a management agreement that is automatically renewable on an annual basis unless terminated by either party. NCSC pays CFC a fee and, in exchange, CFC reimburses NCSC for loan losses under a guarantee agreement. As a taxable cooperative, NCSC pays income tax based on its reported taxable income and deductions. NCSC is headquartered with CFC in Dulles, Virginia.

RTFC is a taxable Subchapter T 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 that is automatically renewable on an annual basis unless terminated by either party. Under a guarantee agreement, RTFC pays CFC a fee and, in exchange, CFC reimburses RTFC for loan losses. As permitted under Subchapter T of the Internal Revenue Code, RTFC pays income tax based on its net income, excluding patronage-sourced earnings allocated to its patrons. RTFC is headquartered with CFC in Dulles, Virginia.

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At February 28, 2019, 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 1,449 members and 215 associates. Our consolidated members include 841 electric distribution systems, 67 power supply systems, 477 telecommunication members, 63 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 50 states, the District of Columbia and two U.S. territories.

The foregoing information about us is only a general summary and is not intended to be comprehensive. For additional information, you should refer to the information under the headings “Where You Can Find More Information” and “Incorporation by Reference.”

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The Notes

The following is a summary of the terms of the Notes. The Notes will be governed by that certain indenture dated as of October 15, 1996 (the “Indenture”), between us and U.S. Bank National Association, as successor trustee (the “Trustee”). Certain of the terms and conditions described below are subject to important limitations and exceptions. For a more detailed description of the terms and conditions of the Notes, see the section of this prospectus entitled “Description of the Notes.”

Issuer

National Rural Utilities Cooperative Finance Corporation

Securities Offered

We are offering \$ \_\_\_\_\_ aggregate principal amount (\$ \_\_\_\_\_ aggregate principal amount if the underwriters exercise their over-allotment option in full) of our \_\_\_\_\_ % Subordinated Notes due 2064 (Subordinated Deferrable Interest Notes). The Notes will be issued in registered form and only in denominations of \$25 and integral multiples in excess thereof.

Maturity Date

\_\_\_\_\_, 2064.

Interest Rate

The Notes will bear interest at \_\_\_\_\_ % per annum. See “Option to Extend Interest Payment Period” below.

Interest Payment Dates

Interest on the Notes is payable quarterly in arrears on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, extended as described below.

Option to Extend Interest Payment Period

So long as there is no event of default under the Indenture with respect to the Notes that is continuing, we may at any time and from time to time during the term of the Notes extend the interest payment period (such a period being referred to as an “extension period”) for a period not exceeding forty (40) consecutive quarterly periods, except that we may not extend the interest payment period beyond the maturity date, any earlier accelerated maturity date arising from an event of default or any other earlier redemption of the Notes. During an extension period, interest will continue to accrue on the Notes at the rate described above and accrued interest on the Notes will bear additional interest at the interest rate, compounded on each interest payment date, subject to applicable law. At the end of an extension period, unless further extended in accordance with the requirements below, we must pay all accrued and unpaid interest (and interest thereon). Before the termination of any extension period, we may further extend the interest payment period, so long as the extension period, together with all previous and further extensions, would not exceed forty (40) quarterly periods or extend beyond the maturity of the Notes. Upon the termination of an extension period and the payment of all amounts then due (including interest on unpaid interest), we may select a new extension period, subject to the above requirements. No interest during an extension period, except at the end thereof, shall be due and payable.

Subordination and Ranking

The Notes will be unsecured and will rank subordinate in right of payment to all of our current and future senior indebtedness. The Notes will be senior to our members’ subordinated certificates. The Notes will rank equal in right of payment and upon liquidation to our outstanding subordinated deferrable debt and any other equally-ranked subordinated debt we may issue.

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Optional Redemption

At any time on or after \_\_\_\_\_, 2024, we will have the right to redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest on the Notes being redeemed to, but excluding, the date of redemption.

At any time before \_\_\_\_\_, 2024, we will have the right to redeem the Notes, in whole or in part, at a redemption price to the greater of (1) 100% of the principal amount of the Notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed (exclusive of interest accrued to the redemption date) from the redemption date to \_\_\_\_\_, 2024 (assuming, solely for the purposes of this calculation, that the principal amount of the Notes to be redeemed was payable on \_\_\_\_\_, 2024), discounted to the redemption date on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus \_\_\_\_\_ basis points, plus, in either case, accrued and unpaid interest on the Notes being redeemed to, but excluding, such redemption date.

In addition, we may redeem the Notes at our option, before \_\_\_\_\_, 2024, in whole but not in part, at any time within 90 days, if certain changes in tax laws, regulations or interpretations occur, at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to, but not including, the redemption date. See “Description of the Notes — Redemption Following a Tax Event”.

We may also redeem the Notes at our option, before \_\_\_\_\_, 2024, in whole but not in part, at any time within 90 days if a rating agency makes certain changes in the equity credit criteria for securities such as the Notes. In this event, the redemption price will be equal to 102% of the principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to, but not including, the redemption date. See “Description of the Notes — Redemption Following a Rating Agency Event.”

Events of Default

The following “events of default” are applicable to the Notes instead of the events of default described in the accompanying prospectus:

- failure to pay interest on the Notes within 60 days after such interest is due (provided, however, that a failure to pay interest during a valid optional extension period will not constitute an event of default, as described below under “Description of the Notes — Option to Extend Interest Payment Period”);
- failure to pay principal of or any premium on the Notes when due; and
- certain bankruptcy, insolvency or reorganization events with respect to CFC.

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No event of default with respect to one series of subordinated debt securities necessarily constitutes an event of default with respect to another series of subordinated debt securities.

Use of Proceeds

We expect to receive proceeds, after deducting the underwriting discounts and other offering expenses payable by us, of approximately \$        million (\$        assuming exercise of the underwriters' over-allotment option in full). The proceeds be used by us for general corporate purposes.

Listing

The Notes will constitute a new series of securities with no established trading market. We will apply to list the Notes for trading on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Notes are first issued.

Trading

The Notes are expected to trade "flat", meaning that purchasers will not pay and sellers will not receive any accrued and unpaid interest on the Notes that is not included in the trading price. No assurance can be given as to the liquidity of or trading market for the Notes.

Risk Factors

Investing in the Notes involves certain risks. You should consider carefully the risk factors discussed under the heading "Risk Factors" beginning on page S-6 of this prospectus supplement and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended May 31, 2018, as such risk factors may be updated from time to time in our Quarterly Reports on Form 10-Q, before investing in the Notes.

Governing Law

The Notes and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York, without regards to its principles of conflicts of laws.

Book-Entry Depository

The Depository Trust Company

Trustee and Paying Agent

U.S. Bank National Association

Additional Issues

We may, without the consent of the existing holders of the Notes, issue additional Notes and thereby increase the principal amount in the future, on the same terms and conditions and with the same CUSIP number as the Notes we offer by this prospectus supplement (except for the issue price, issue date and, if applicable, the initial interest accrual date). Any such additional Notes will, together with the Notes we offer by this prospectus supplement, constitute a single series of Notes under the Indenture. We will not issue any further securities intended to form a single series with the Notes unless such further securities will be fungible with all Notes of the same series for U.S. Federal income tax purposes.

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### RISK FACTORS

Your investment in the Notes will involve certain risks. You should consider carefully the following risks relating to the Notes, together with the risks and uncertainties discussed under “Forward Looking Information” and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended May 31, 2018, as such risk factors may be updated from time to time in our Quarterly Reports on Form 10-Q, before investing in the Notes. Additional risks and uncertainties not presently known to us may also impair our business operations, financial condition or results of operations and the value of the Notes. We cannot assure you that any of the events discussed in or incorporated by reference into this prospectus supplement will not occur. If they do, our business, financial condition or results of operations could be materially and adversely affected.

Our obligations under the Notes will be unsecured and will be subordinated.

Our obligations under the Notes are unsecured and will rank subordinate in right of payment to our senior indebtedness (as defined in the Indenture). This means that we may not make any payments of principal or interest on the Notes:

- if there shall have occurred a default in the payment of principal or mandatory prepayments of or premium, if any, sinking funds or interest on any senior indebtedness, or
- if any 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 indebtedness that permits the holders thereof to accelerate the maturity of such senior indebtedness, and such event of default has not been cured or waived and not ceased to exist.

The Notes will rank equal in right of payment and upon liquidation to our outstanding subordinated indebtedness. For more information on the subordination provisions and the definition of “senior indebtedness,” see “Description of the Notes — Ranking” in this prospectus supplement.

At February 28, 2019, CFC had approximately \$24.1 billion of indebtedness that will rank senior in priority with respect to the Notes, including contingent guarantees of \$0.8 billion, and had \$0.7 billion of subordinated indebtedness that will rank equal in right of payment and upon liquidation with the Notes. The Notes will be senior to CFC’s members’ subordinated certificates, the aggregate principal amount of which totaled approximately \$1.4 billion at February 28, 2019. The Indenture contains no restrictions on the amount of additional senior or subordinated indebtedness that we may issue under it.

Due to the subordination provisions described in “Description of the Notes — Ranking,” in the event of our insolvency, funds which we would otherwise use to pay to the holders of the Notes will be used to pay the holders of senior indebtedness to the extent necessary to pay the senior indebtedness in full.

We can extend interest payments on the Notes for one or more periods of up to forty (40) consecutive quarterly periods.

We will have the right at any time and from time to time during the term of the Notes to extend the interest payment period to a period not exceeding forty (40) consecutive quarterly periods. At the end of an extension period, unless further extended in accordance with the requirements below, CFC must pay all interest then accrued and unpaid (together with interest thereon at the interest rate on the Notes to the extent permitted by applicable law). During any extension 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 members’ subordinated certificates. Prior to the termination of any extension period, CFC may further extend the interest payment period, provided that extension period, together with all previous and further extensions thereof, may not exceed forty (40) consecutive quarterly periods or extend beyond the maturity of the Notes. Upon the termination of an extension period and the payment of all amounts then due, CFC may select a new extension period, subject to the above requirements. See “Description of the Notes — Option to Extend Interest Payment Period.”

Should an extension period occur, a holder of the Notes 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. As a result, a holder

would be required to include such interest in gross income for U.S. federal  
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income tax purposes in advance of the receipt of cash, and would not receive from CFC the cash related to such income if the holder disposes of his or her Notes prior to the record date for payment of interest. See “Material U.S. Federal Income Tax Considerations.”

We may elect to cause the redemption of the Notes prior to maturity.

We may redeem the Notes:

- in whole at any time or in part from time to time on or after \_\_\_\_\_, 2024 at a redemption price equal to 100% of the principal amount being redeemed plus accrued and unpaid interest to, but excluding, the date of redemption;
- in whole or in part, from time to time, prior to \_\_\_\_\_, 2024 at 100% of the principal amount being redeemed plus accrued and unpaid interest, plus any applicable make-whole premium, as discussed under “Description of the Notes — Optional Redemption”;
- in whole but not in part, at any time before \_\_\_\_\_, 2024, if certain changes in tax laws, regulations or interpretations occur at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to, but not including, the date of redemption, as discussed under “Description of the Notes — Redemption Following a Tax Event”; or
- in whole but not in part, at any time before \_\_\_\_\_, 2024, if a rating agency makes certain changes in the equity credit criteria for securities such as the Note, at a redemption price equal to 102% of the principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to, but not including, the date of redemption, as discussed under “Description of the Notes — Redemption Following a Rating Agency Event.”

We may choose to redeem the Notes for a variety of reasons, including, but not limited to, when prevailing interest rates are lower than the interest rate on the Notes or in the event of a tax event or a rating agency event. In the event we choose to redeem the Notes, you may 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 Notes.

Extension of interest payments and other characteristics of the Notes could adversely affect the market price of the Notes.

To the extent a secondary market develops for the Notes, the market price of the Notes is likely to be adversely affected if we extend payments of interest on the Notes. As a result of our extension right or if investors perceive that there is a likelihood that we will exercise our extension right, the market for the Notes may become less active or be discontinued during such an extension period, and the market price of the Notes may be more volatile than the market prices of other securities that are not subject to extension. If we do extend interest on the Notes and you sell your Notes during the period of that extension, you may not receive the same return on your investment as a holder that continues to hold its Notes until we pay the accrued and unpaid interest at the end of the applicable extension period. We cannot provide assurance that an active trading market will develop for the Notes.

The Notes will constitute a new series of securities with no established trading market. We will apply to list the Notes for trading on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Notes are first issued. The listing of the Notes will not necessarily ensure that an active trading market will be available for the Notes or that you will be able to sell your Notes at the price you originally paid for them or at the time you wish to sell them. Future trading prices of the Notes will also depend on many other factors, including, but not limited to prevailing interest rates, the market for similar securities, our financial performance and other factors. Generally, the liquidity of, and trading market for, the Notes may also be materially and adversely affected by declines in the market for similar debt securities. Such a decline may materially and adversely affect that liquidity and trading independent of our financial performance and prospects.



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The Trustee has only limited rights of acceleration.

The Trustee may accelerate payment of the principal and accrued and unpaid interest on the Notes only upon the occurrence and continuation of an event of default under the Notes. An event of default is generally limited to payment defaults after giving effect to our extension rights and specific events of bankruptcy, insolvency and reorganization relating to us. There is no right to acceleration upon breaches by us of other covenants under the Indenture.

Changes in our credit ratings or the debt markets could adversely affect the market price of the Notes.

The market price for the Notes depends on many factors, including, among other things:

- our credit ratings with major credit rating agencies, including with respect to the Notes;
- the prevailing interest rates being paid by other companies similar to us;
- our operating results, financial condition and future prospects;
- our election to extend interest payments on the Notes (see “Description of the Notes — Option to Extend Interest Payment Period”); and
- economic, financial, geopolitical, regulatory and judicial events that affect us, the industries and markets in which we are doing business and the financial markets generally.

The price of the Notes may be adversely affected by unfavorable changes in these factors. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the Notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. A negative change in our rating could have an adverse effect on the price of the Notes.

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the “SEC”). Our SEC filings are available to the public at the SEC’s website at <http://www.sec.gov>.

This prospectus supplement and the accompanying prospectus is part of a registration statement that we have filed with the SEC in connection with this offering. As permitted by SEC rules, this prospectus supplement may not contain all of the information we have included in the registration statement and its accompanying exhibits and schedules. You may refer to the registration statement, exhibits and schedules for more information about us and the Notes. The registration statement, exhibits and schedules are available through the SEC’s website.

## INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” into this prospectus supplement 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 supplement, and the information we subsequently file with the SEC will automatically update and supersede the information in this prospectus supplement. Absent unusual circumstances, we will have no obligation to amend this prospectus supplement, other than filing subsequent information with the SEC. The historical and future information that is incorporated by reference in this prospectus supplement is considered to be a part of this prospectus supplement. The information elsewhere in this prospectus supplement and the accompanying prospectus, and the following information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus:

- Annual Report on Form 10-K for the year ended May 31, 2018 (filed July 31, 2018);

- Quarterly Reports on Form 10-Q for the quarters ended August 31, 2018 (filed October 10, 2018), November 30, 2018 (filed January 11, 2019) and February 28, 2019 (filed April 11, 2019); and

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Current Reports on Form 8-K, dated June 12, 2018 (filed June 12, 2018), October 24, 2018 (filed October 31, 2018), November 15, 2018 (filed November 19, 2018), November 28, 2018 (filed November 29, 2018), December 17, 2018 (filed December 21, 2018), January 28, 2019 (filed January 31, 2019) and March 11, 2019 (filed March 13, 2019).

We also incorporate by reference all 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”), between the date of this prospectus supplement and the termination of the offering of the Notes. However, we are not incorporating by reference any document or information that is deemed to be furnished and not filed in accordance with SEC rules.

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, or an exhibit to any other filings incorporated by reference into this registration statement, 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](http://www.nrucfc.coop). Information on our website does not constitute a part of this prospectus supplement or the accompanying prospectus.

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**FORWARD LOOKING INFORMATION**

This prospectus supplement and the accompanying prospectus, including the information incorporated by reference herein, contains certain statements that are considered “forward-looking statements” within the Securities Act of 1933, as amended (the “Securities Act”) and the Exchange Act. 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,” “estimate,” “anticipate,” “believe,” “expect,” “continue,” “potential” 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 may differ materially from our forward-looking statements due to several factors. Factors that could cause future results to vary from our forward-looking statements 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, technological changes within the rural electric utility industry, regulatory and economic conditions in the rural electric industry, non-performance of counterparties to our derivative agreements, the costs and effects of legal or governmental proceedings involving CFC or its members, and other factors 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 events, circumstances or changes in expectations after the date on which the statement is made.

**USE OF PROCEEDS**

We expect to receive proceeds, after deducting the underwriting discounts and other offering expenses payable by us, of approximately \$      million (\$      assuming exercise of the underwriters’ over-allotment option in full). The proceeds will be used by us for general corporate purposes.

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### DESCRIPTION OF THE NOTES

The following description of specific terms of the Notes 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.”

The Notes will be issued as a series of subordinated debt securities under the Indenture. We are initially offering the Notes in the principal amount of \$ . There is no limit on the amount of additional securities similar to the Notes that may be issued under the Indenture. We may, without the consent of the existing holders of the Notes, issue additional Notes and thereby increase that principal amount in the future, on the same terms and conditions and with the same CUSIP number as the Notes we offer by this prospectus supplement (except for the issue price, issue date and, if applicable, the initial interest accrual date). Any such additional Notes will, together with the Notes we offer by this prospectus supplement, constitute a single series of Notes under the Indenture. We will not issue any further securities intended to form a single series with the Notes unless such further securities will be fungible with all Notes of the same series for U.S. Federal income tax purposes.

We have granted the underwriters an option to purchase up to an additional \$ aggregate principal amount of Notes to cover over-allotments, if any, for 30 days following the date of this prospectus supplement.

We will apply to list the Notes for trading on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Notes are first issued. The Notes are expected to trade “flat,” meaning that purchasers will not pay and sellers will not receive any accrued and unpaid interest on the Notes that is not included in the trading price.

#### Maturity

The Notes will mature on , 2064. If that day is not a business day, payment of principal and interest will be postponed to the next business day and no interest will accrue as a result of that postponement.

#### Interest Rate and Interest Payment Dates

The Notes will bear interest at the annual rate of %, and we will pay accrued interest quarterly in arrears on of each year, beginning on , 2019 subject to our rights and obligations under “— Option to Extend Interest Payment Period.” Interest payments will be made to the persons or entities in whose names the Notes are registered at the close of business on or (whether or not a business day), as the case may be, immediately preceding the interest payment date. The amount of interest payable for any interest period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any interest payment date falls on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, and no additional interest will accrue as a result of that postponement.

“Business day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed, or (iii) a day on which the corporate trust office of the Trustee is closed for business.

#### Option to Extend Interest Payment Period

So long as there is no event of default under the Indenture with respect to the Notes that is continuing, we may at any time and from time to time during the term of the Notes extend the interest payment period (such a period being referred to as an “extension period”) for a period not exceeding forty (40) consecutive quarterly periods, except that we may not extend the interest payment period beyond the maturity date, any earlier accelerated maturity date arising from an event of default or any other earlier redemption of the Notes. During an extension period, interest will continue to accrue on the Notes at the interest rate on the

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Notes and accrued interest on the Notes will bear additional interest at the interest rate on the Notes, compounded on each interest payment date, subject to applicable law. At the end of an extension period, unless further extended in accordance with the requirements below, we must pay all accrued and unpaid interest (and interest thereon).

During any extension period we 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 our members' subordinated certificates. Before the termination of any extension period, we may further extend the interest payment period, so long as the extension period, together with all previous and further extensions, would not exceed forty (40) consecutive quarterly periods or extend beyond the maturity of the Notes. No extension period (including as extended) may end on a day other than the last day of an interest payment period.

Upon the termination of an extension period and the payment of all amounts then due (including interest on unpaid interest), we may select a new extension period, subject to the above requirements. No interest during an extension period, except at the end thereof, shall be due and payable. We shall give the holders of the Notes and the Trustee notice of our election of extension of an extension period at least ten business days prior to the earlier of (i) the next interest payment date and (ii) the date upon which we are required to give notice to any applicable self-regulatory organization or to holders of the Notes of such next succeeding record or payment date for such interest payment.

**Optional Redemption**

We may redeem the Notes at any time, prior to \_\_\_\_\_, 2024, in whole or in part, at a "make-whole" redemption price the greater of (1) 100% of the principal amount being redeemed or (2) the sum of the present values of the remaining scheduled payments of the principal and interest (other than accrued interest) on the Notes being redeemed that would be due if such Notes matured on \_\_\_\_\_, 2024, discounted to the redemption date on a quarterly basis (assuming a 360 year consisting of twelve 30-day months) at the Treasury Rate plus \_\_\_\_\_ basis points for the Notes plus in each of (1) and (2) above, accrued interest to, but excluding, the redemption date.

At any time on or after \_\_\_\_\_, 2024, we may redeem the Notes, at our option, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes then outstanding to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

For purposes of these redemption provisions, the following terms have the following meanings:

"Treasury Rate" means, for any redemption date, the rate per annum equal to the quarterly equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the Notes being redeemed (assuming, for this purpose, that the Notes matured on \_\_\_\_\_, 2024) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Quotation Agent" means one of the Reference Treasury Dealers appointed by CFC.

"Comparable Treasury Price" means with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations for that redemption date, or (B) if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all the Reference Treasury Dealer Quotations obtained.

"Reference Treasury Dealer Quotations" means, for each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by the Reference Treasury Dealer at 5:00 p.m. New York City time on the third business day preceding the redemption date for the Notes being redeemed.

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“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC and RBC Capital Markets, LLC, or their respective affiliates or successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the United States, CFC will appoint another primary U.S. Government securities dealer as a substitute and (2) any other U.S. Government securities dealers selected by CFC.

Redemption Following a Tax Event

We will have the right to redeem the Notes, at any time before \_\_\_\_\_, 2024, in whole but not in part, at any time within 90 days following the occurrence and continuation of a Tax Event at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to, but not including, the redemption date.

A “Tax Event” means that the Company has received an opinion of nationally recognized independent tax counsel experienced in such matters at any time after the occurrence of any of the events set forth below to the effect that:

(i) there is more than an insubstantial risk that the Company would lose its status as a 501(c)(4) tax-exempt entity pursuant to the Internal Revenue Code as a result of:

- any amendment to or change or announced proposed change in the laws or regulations of the United States or any of its political subdivisions or taxing authorities affecting taxation;
- any amendment to or change in an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority; or
- any official administrative interpretation or official administrative pronouncement that provides for a position with respect to those laws or regulations that differs from the generally accepted position on the date the Notes are issued;