



Federal Home Loan Bank
NEW YORK

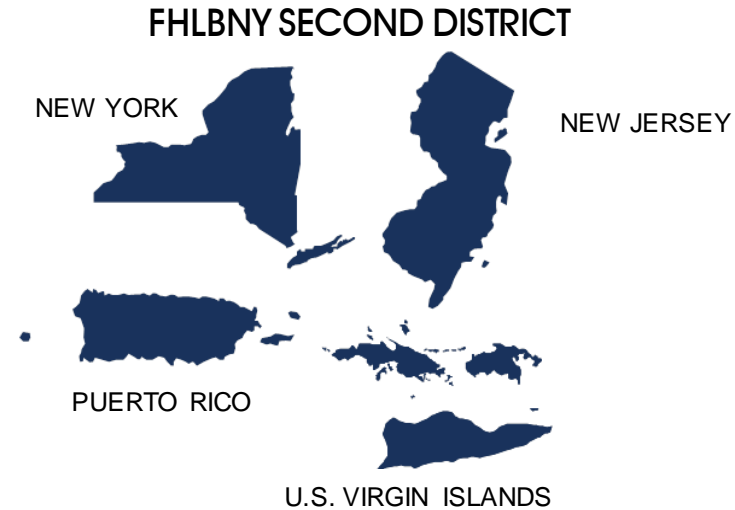
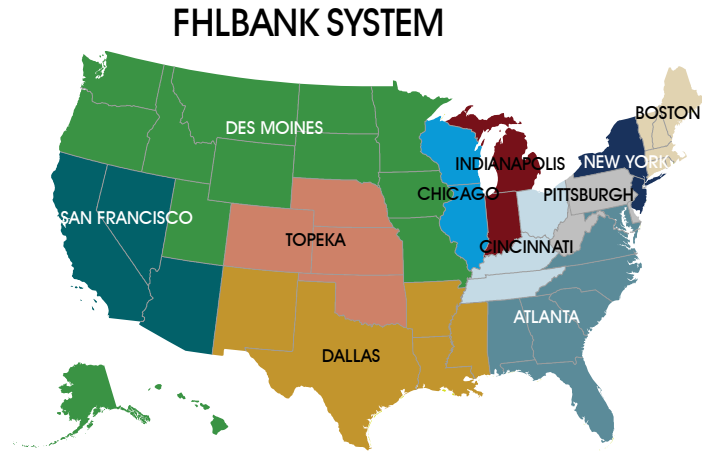
Advancing Housing Opportunity and Local Community Development

Federal Home Loan Bank of New York

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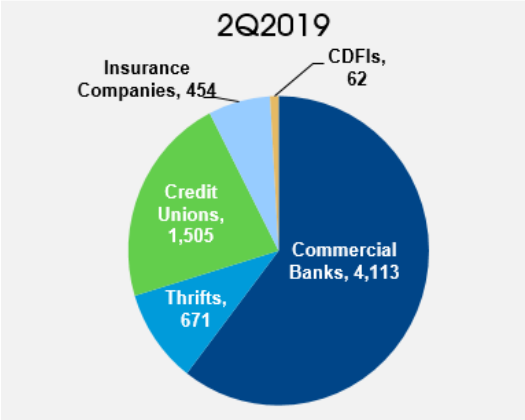
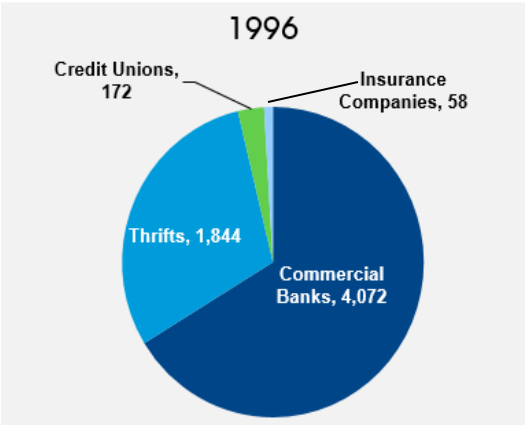
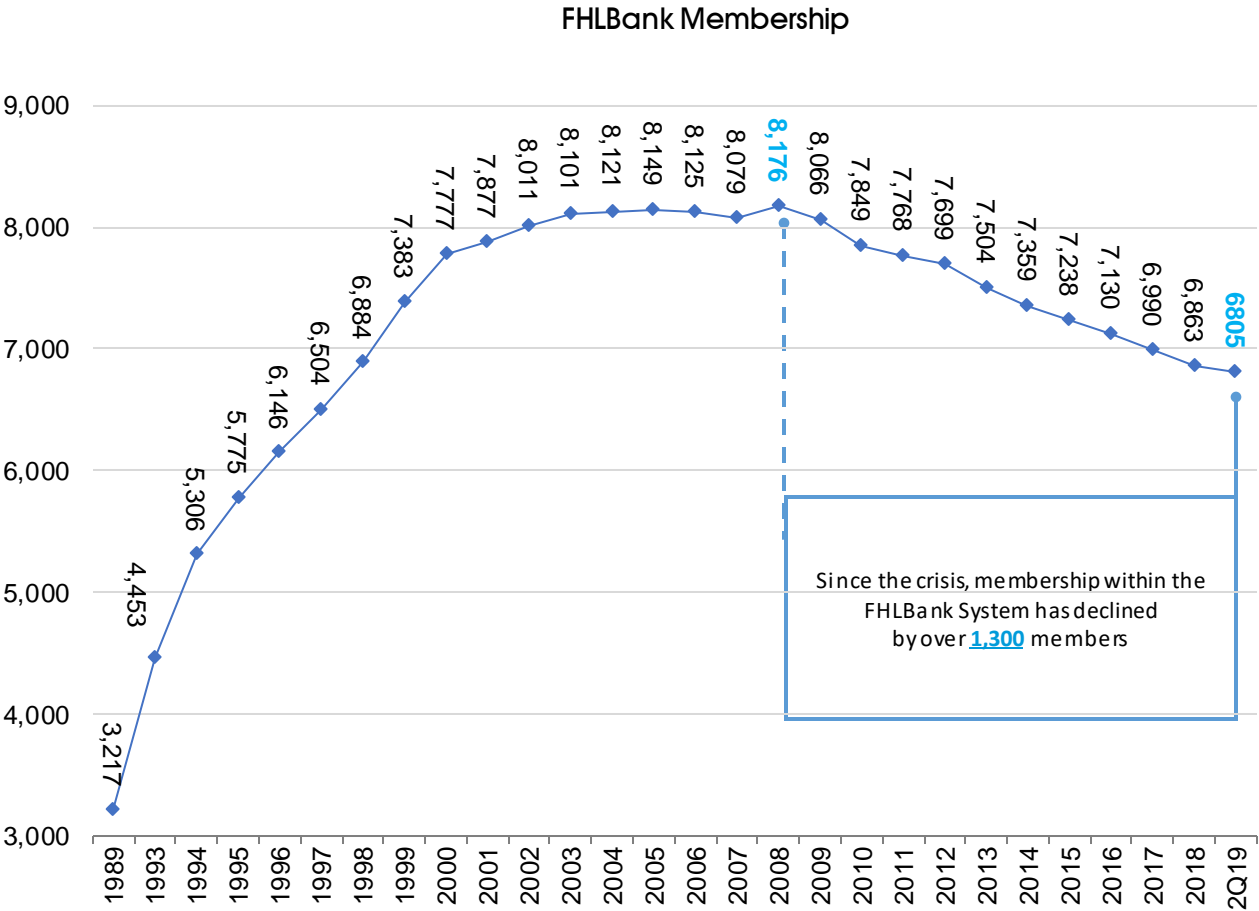
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LOS ANGELES 2019

The Federal Home Loan Bank System

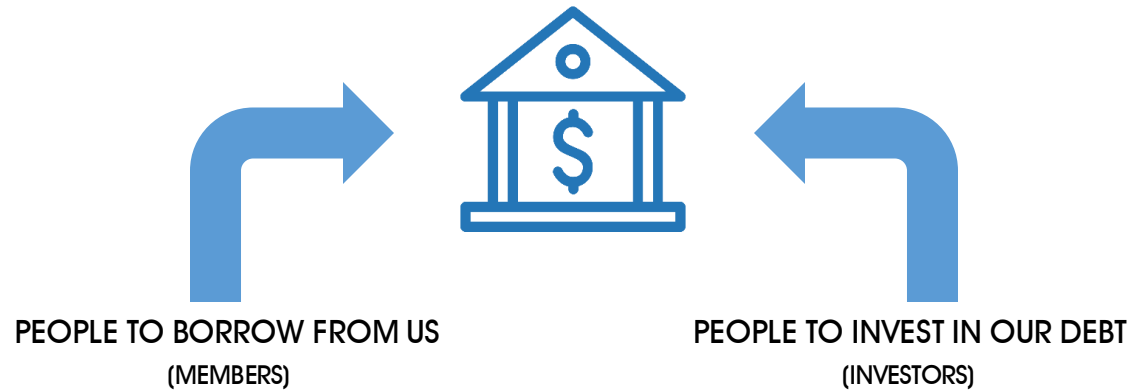


- » Government-Sponsored Enterprise (GSE) created by Congress in 1932 as a result of the Great Depression and its effects on the housing market
- » Primary business is extending credit to banks, thrifts, credit unions, insurance companies, and community development financial institutions
- » 11 Federal Home Loan Banks across the United States all registered with the SEC and regulated by the Federal Housing Finance Agency (FHFA)
- » Each FHLBank is an independent cooperative, owned by its members, who purchase stock in the FHLBank
- » The total membership as June 30, 2019 was 6,805 institutions
- » The total advances to members system-wide as of June 30, 2019 was \$686 billion

FHLBanks' Number of Members

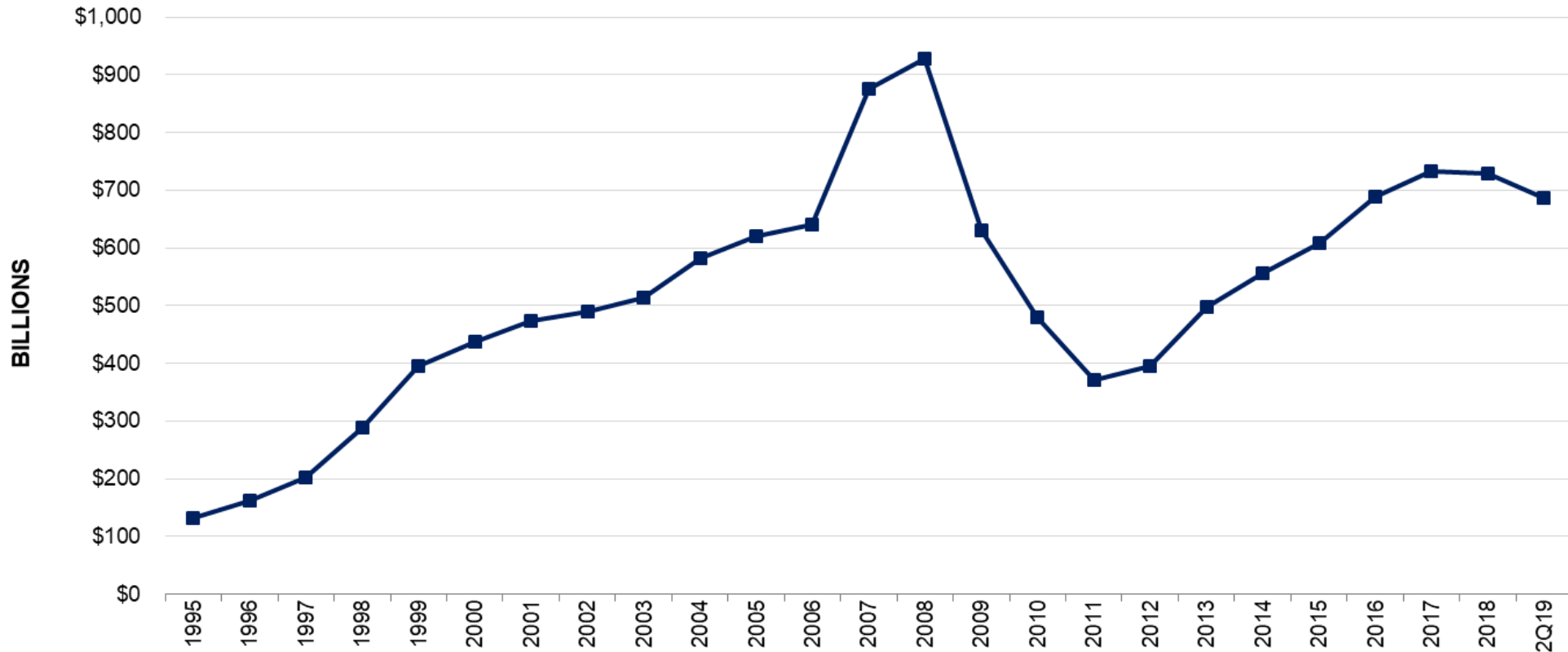


Two Parties Needed to Make FHLBanks Work



FHLBank System Advances

FHLBank Advances (1995 – 2Q2019)



The Federal Home Loan Bank of New York

Our Mission:

To advance housing opportunity and local community development by supporting members in serving their markets.

Our Vision:

To be a balanced provider of liquidity to members in all operating environments.



- » 329 Member institutions include commercial banks, thrifts, credit unions, insurance companies, and community development financial institutions (CDFI) in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands
- » \$150.6 Billion in assets
- » \$102.4 Billion dollars in advances
- » Triple-A counterparty credit rating

As of 6/30/2019

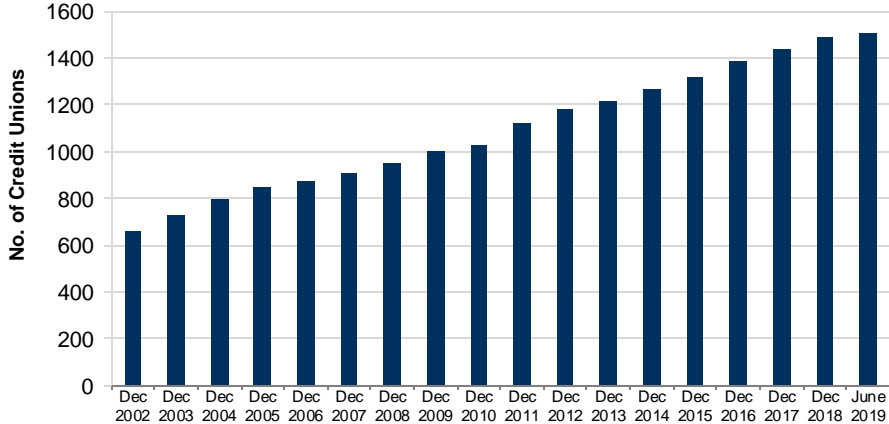
Benefits of FHLB Membership

- Reliable low-cost funding to help meet liquidity needs
- Fixed, floating, forward-starting and amortizing advances with flexible terms to enhance your interest rate risk management
- Triple-A-rated Letters of Credit to secure various obligations, such as public-sector deposits
- Community Investment products and affordable housing programs including the Homebuyer Dream Program™ (HDP)
- High quality Correspondent Services to help meet your daily operating needs
- Better operating efficiencies through 1Link®, our secure internet banking system
- Innovative mortgage funding and purchase programs to improve your competitive position

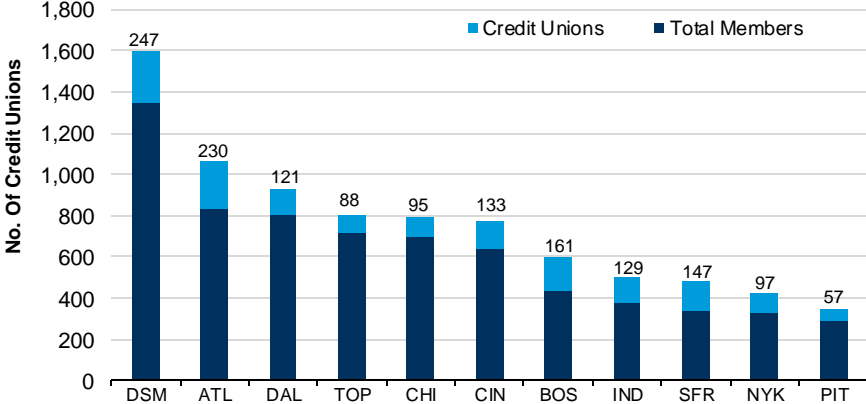
FHLBanks' Credit Union Trend

As of June 30, 2019

TOTAL CREDIT UNIONS

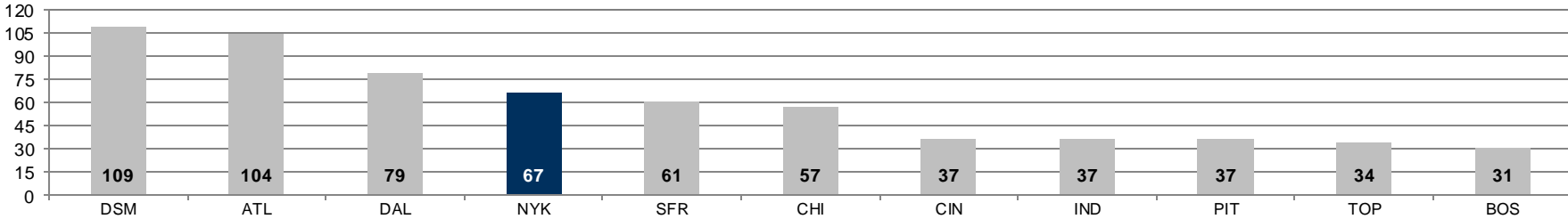


CREDIT UNIONS AND TOTAL MEMBERS BY DISTRICT



* Please note that effective May 31, 2015, FHLB Seattle merged with FHLB Des Moines. Prior to that there were 12 FHLB districts.

The FHLB NY is Among the Districts with Rapid Credit Union Growth Since 2006 – 2Q19



FHLBNY Program Utilization

Optimize Deposit Pricing	<ul style="list-style-type: none">• Members can test the elasticity of their deposit bases and embark on different pricing strategies with the knowledge that they can “backfill” with FHLBNY funding should they experience resulting outflows.
Pursue Growth and Leverage Capital	<ul style="list-style-type: none">• Members can fend off NIM pressure by leveraging capital to achieve balance sheet growth. By using FHLBNY funding, members can manage their balance sheets within the confines of their capital bases and not be restricted by the limitations of their deposit bases.
Deploy Excess Cash	<ul style="list-style-type: none">• Members often maintain excess cash to meet the demands for funding loans or for a contingency. However, this is can be a costly tactic especially when fending off NIM compression. Having borrowing potential at the FHLBNY is a much better and more profitable solution.
Capitalize on Opportunities to Acquire Assets	<ul style="list-style-type: none">• Members can be opportunistic and utilize FHLBNY short-term liquidity to make investments now in anticipation of future cash flows (i.e., cash flows from loans and investments, inflows of deposits).
Manage Interest-Rate Risk	<ul style="list-style-type: none">• Members utilize FHLBNY funding to achieve asset/liability management goals by obtaining funding of the exact duration and structure required to meet their objectives.
Invest In Infrastructure	<ul style="list-style-type: none">• Members can utilize FHLBNY advances to fund an investment in infrastructure (i.e. Technology, Branching). There are many different advance structures to choose from depending on the project and the unique needs of a member.
Contingent Funding	<ul style="list-style-type: none">• Should a member experience sudden deposit outflow, they can quickly “backfill” using FHLBNY funding.
Secondary Market Mortgage Sales	<ul style="list-style-type: none">• CUs can sell long-term fixed rate mortgage production to the FHLBNY to mitigate interest rate risk and to generate additional fee income.
Grant Programs	<ul style="list-style-type: none">• CUs are active participants in our Homebuyer Dream Program (HDP®) and affordable housing Program (AHP®)

Housing and Community Lending

The FHLBNY Housing and Community Lending Programs provide affordable housing opportunities to families and communities across the District and low-cost lending for projects to strengthen communities.

Help turn home-ownership and community development dreams into reality

Community Lending Programs

Community Investment Program (CIP)

Rural Development Advance (RDA)

Urban Development Advance (UDA)

Affordable Housing Program (AHP)

Homebuyer Dream Program™

Eligible Uses of CLP Funds

Community Investment Program (CIP)	Rural Development Advance (RDA)	Urban Development Advance (UDA)
<ul style="list-style-type: none"> » Housing for families/ individuals with incomes at 115% or less of the area median income » Finance facilities that benefit low- and moderate-income households: <ul style="list-style-type: none"> – Provide services or permanent jobs for households with incomes at 80% or less of the area median income – Located in neighborhoods where at least 51% of the households have incomes at or below 80% of the area median 	<ul style="list-style-type: none"> » Finance Economic Development projects that benefit individuals or families at or below 115% of the area median income <ul style="list-style-type: none"> – Project being financed must reside in a location (unit of general local government) with a population less than 25,000 	<ul style="list-style-type: none"> » Financing for Economic Development projects that benefit individuals or families at or below 100% of the area median income <ul style="list-style-type: none"> – Project being financed must reside in a location (unit of general local government) with a population greater than 25,000

Benefits of Community Lending Programs (CIP, UDA, RDA)

- Priced at the FHLBNY cost of funds
- Applicable to a wide range of community and economic development activities
- Reduce financing costs or community and economic development projects
- Flexible funding structures at favorable rates
- Long-Term advances available
- Match terms of the end-loan
- Members lock in cost of funds for entire term of loan
- Benefits families that do not exceed 80% of the area median income
- CRA friendly

Affordable Housing Program (AHP)

- Established in 1990 to promote affordable housing opportunities for households with incomes at or below 80% of area medium income in conjunction with community groups
- Funded out of FHLBNY net income (10% of FHLBNY's net income)
- Provides subsidized funding (grants) to qualified affordable housing projects to support the creation and preservation of housing for lower income families and individuals

Eligible Uses of AHP Funds	Who Can Access AHP?
<p>Funds can be used for acquisition, construction or rehabilitation.</p> <ul style="list-style-type: none">» Rental housing<ul style="list-style-type: none">- At least 20% of units reserved for households earning 50% or less of area median income» Owner-occupied housing<ul style="list-style-type: none">- Single family, two-family, condos, co-ops- All units reserved for households earning 80% or less of area median income	<ul style="list-style-type: none">» FHLBNY members» Project sponsors in partnership with FHLBNY member:<ul style="list-style-type: none">- Non-profit organization- State or local government agency- For profit affordable housing developers

Homebuyer Dream Program™ Overview

Provides down payment and closing cost assistance to first-time homebuyers

HOMEBUYER DREAM PROGRAM™

REQUIREMENTS:

- » Household income cannot exceed 80% of area median income
- » Buyer must meet a minimum equity investment threshold for home purchase
- » FHLBNY may provide grant proceeds up to \$14,500 to apply toward down payment and closing costs
- » Purchaser must participate in qualified financial counseling (minimum of 6 hours)
- » Residential 1-4 family
- » Non-competitive, monthly enrollment periods



BENEFITS:

- » Creates homeownership opportunities
- » Provides residential lending opportunities
- » Increases banking relationships
- » Enhances CRA credit
- » Creates partnerships with local non-profit organizations
- » Not-for-profit housing agencies can receive up to \$500 in reimbursement costs
- » Enhances public relations and community position

Secondary Market Alternative



The FHLBNY offers the Mortgage Partnership Finance® (MPF®) Program as an alternate way for Participating Financial Institution (PFI) members to fund mortgages and be competitive in offering fixed-rate mortgage loan products.

- » Transfer interest-rate risk to FHLBNY
- » Maintain customer relationship
- » Retain or release servicing
- » Eliminate holding 30-Year FRM in your own portfolio
- » No Loan Level Price Adjustments or Adverse Market Fees
- » Receive servicing & credit enhancement fees



The "MORTGAGE PARTNERSHIP FINANCE" logo and the "MPF" logo are trademarks of the Federal Home Loan Bank of Chicago

How Do We Do This?



Mortgage Partnership Finance[®] Program

- » Credit Unions are our largest growing segment due to:
 - Ability to gain experience in the secondary market for first time sellers
 - No volume requirements
 - No loan level price adjustments
 - Can utilize delegated underwriting and outsource mortgage loan servicing while still retaining customer relationship
 - Lack of risk-based capital requirement (changes in 2020 for CU's with Assets > \$500MM)



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