



REPORT FROM THE PRESIDENT

April 30, 2003

TO: All Stockholders
(individually addressed)

SUBJECT: Report for the Month

At the Bank

BOARD APPROVES QUARTERLY DIVIDEND AT 5.36%

At its meeting on April 17, 2003, the Home Loan Bank's Board of Directors declared a dividend of 5.36% for the first quarter of 2003. The Board supplemented the dividend by including an annualized 20-basis point supplemental distribution of previously retained earnings in order to reduce the impact on stockholders of the Bank's newly reduced advances pricing. Lower advance pricing reduces income and the dividend. This 5.36% dividend is well above the Home Loan Bank's minimum dividend benchmark of 3.06% (the average yield on earning assets for the period plus 50 basis points).

The Home Loan Bank prices advances, deposits, and other products used by members at very favorable levels, so much of the Bank's income is derived from the housing-related investment of member-contributed capital, rather than spread earnings. Accordingly, the chief determinants of the Bank's return on investment of member-contributed capital and of its dividend are members' advance maturity preferences and the associated level of interest rates.

In March 2003, annualized net income after REFCORP assessments was \$191.7 million. This is an annualized \$56.9 million decrease from February, but more than \$10 million above the Home Loan Bank's 2003 business plan for the month.

Be assured that we are committed to generating a return that you will find to be competitive in the current interest rate environment, as well as to provide you with low-cost wholesale funds and related services, while at the same time maintaining the stand-alone "AAA" rating of the Home Loan Bank (which was again affirmed in a ratings report issued by Standard and Poor's on March 17, 2003).

ADVANCES -- OUR CORE PRODUCT -- CLIMB TO \$69.6 BILLION

I am pleased to report that average monthly advances in March 2003 increased by \$1.4 billion from February to \$69.6 billion. This impressive advance growth is a result of lower-priced credit products, sustained member lender outreach, and 41-year-low interest rates. Comparing monthly average advances for March 2003 to March 2002, there was an increase of \$10.3 billion, a robust 17% increase. Over the past few weeks, member lenders have increased their use of long-term, letter of credit, and repo advance products.

2003 REGIONAL STOCKHOLDER MEETINGS CONTINUE THROUGHOUT THE SPRING

The Home Loan Bank's 2003 Regional Stockholder Meetings are halfway completed. This series of seven regional meetings focuses on the transition to our new Capital Plan (which will go into effect on October 1, 2003). The new Plan will change members' minimum capital investments in the Home Loan Bank and the capital investments required for using our various credit products. Under the new Plan, the Home Loan Bank will be subject to new risk-based capital requirements. At the meetings, we will also discuss the Home Loan Bank's accomplishments in 2002 as well as the value that membership brings to your organization.

There are three more meetings planned for the 2003 series. Below are the dates and locations of the remaining 2003 Regional Stockholder Meetings:

May 6, 2003	Club 101	New York, N.Y.
May 20, 2003	Meadowlands Sheraton	East Rutherford, N.J.
May 21, 2003	Seaview Marriott	Galloway, N.J.

The invitations and registration forms for the New Jersey and New York meetings were mailed on March 25. Should you have any questions regarding the meetings or the registration material, please contact Jim Gilmore, Senior Vice President of Banking Services, at (212) 441-6812.

2003 ELECTION OF DIRECTORS OF THE HOME LOAN BANK APPROACHING

With the approach of June, we are entering this year's election cycle for approximately one third of the elected members of the Board of Directors. We currently expect, subject to final determination by the Federal Housing Finance Board (FHFB), that there will be one seat in New Jersey, two seats in New York, and one seat in Puerto Rico up for election. Each of the individuals elected this year will serve a three-year term starting on January 1, 2004.

Fulfilling the duties of administering the elections of the industry seats, the Home Loan Bank of New York plans to implement the following election schedule for our stockholders:

KEY DATES FOR 2003 ELECTION OF DIRECTORS

DATE	ACTION
6/23/03	Start of 2003 Election of Federal Home Loan Bank of New York (FHLBNY) Directors. Nomination certificates are mailed to eligible member institutions in the voting states for 2003.
7/23/03	Nomination Deadline. Nomination certificates must be sent back to FHLBNY by July 23.
9/03/03	Nominee Acceptance Deadline. Candidates running for election must return the completed Eligibility Form to the FHLBNY by September 3.
10/01/03	Ballots are mailed by the FHLBNY to eligible member institutions in the designated voting states for 2003.
10/31/03	Voting Deadline. Ballots must be received at the FHLBNY by October 31. Election results are tabulated starting on November 3.
11/14/03	Elected candidates are notified by the FHLBNY of the election results.
11/21/03	The FHLBNY announces the results of the 2003 Election of FHLBNY Directors. Statewide election results, including the total number of votes received by each candidate on the ballot, will be mailed to member institutions.
1/01/04	Directors elected in 2003 take office.

In Washington

HOUSE FINANCIAL SERVICES SUBCOMMITTEE PASSES REGULATORY RELIEF BILL WITH THREE HOME LOAN BANK AMENDMENTS

On April 9, the House Financial Services Subcommittee on Financial Institutions and Consumer Credit, chaired by Congressman Spencer Bachus (R-AL), marked up H.R. 1375, the "Financial Services Regulatory Relief Act of 2003." The Subcommittee approved the bill by a voice vote.

Three Home Loan Bank provisions were included in the measure. They would, if enacted: 1) permit state chartered, privately insured credit unions to apply for membership at a Home Loan Bank; 2) eliminate caps on Federal Home Loan Bank director compensation; and 3) extend the terms of appointed and elected Federal Home Loan Bank directors from three to four years. This last amendment would likely be applicable to directors -- elected or appointed -- who are currently serving three-year terms. It is anticipated that the full House Financial Services Committee will hold a mark-up on H.R. 1375 on May 20.

FHFB/SEC FINANCIAL DISCLOSURE REGULATION UPDATE

The Home Loan Banks continue to forge ahead on the issue of expanded financial disclosure. In response to an invitation from Alan Beller, Director of the Division of Corporation Finance of the SEC, which was passed along by FHFB Chairman Korsmo, the Home Loan Banks are meeting with the SEC. The Chicago Bank met with the SEC on March 20, the Cincinnati Bank met on April 9, and the New York, San Francisco, and Pittsburgh Banks will be meeting on May 13, representing themselves and the seven remaining Home Loan Banks. These are informal discussions on voluntary registration intended to attempt to resolve various concerns relating to the potential effect of registration on the structure of the Bank System and the potential impact on the cost of funds.

The 12 Home Loan Banks are working to identify and, if possible, resolve the issues surrounding direct SEC registration as well as to explore alternatives that satisfy the SEC requirements but would not injure the Home Loan Bank/member lender partnership. One possible alternative has recently been put forth by Mary Lee Widener, Chair of the Board of the Federal Home Loan Bank of San Francisco. In an April 9 letter to FHFB Chairman Korsmo, Chair Widener suggested a three-year trial run involving implementation of a financial disclosure plan patterned after Section 12(i) of the Securities Exchange Act of 1934. A period of three years would give everyone an opportunity to discover and resolve unanswered questions and then formalize the most appropriate structure for meeting -- and hopefully exceeding -- the SEC "gold standard" for financial disclosures. The elements of the model set forth in Ms. Widener's letter are as follows:

- Adoption and enforcement by the FHFB of the SEC's '34 Act periodic disclosure and governance regulations consistent with the requirements of Section 12(i) of the '34 Act.
- The FHLBanks would file periodic financial disclosures (10K, 10Q, and 8K) with the FHFB according to SEC standards.
- Adoption and enforcement by the FHFB of Sarbanes-Oxley governance standards.
- The FHFB would modify SEC regulations only to correlate to the distinctive structure of the FHLB System, with public notice of adoption and modification required to be published in the Federal Register.
- Public availability of all FHLB and FHLB System 10Ks, 10Qs, and 8Ks on EDGAR or a similar FHFB electronic disclosure network.
- Re-evaluation of the effectiveness of the SEC/FHFB regulations at the end of three years.

Because the approach described in Ms. Widener's April 9 letter would permit adoption and enforcement by the FHFB of the SEC's periodic disclosure and governance regulations, with such regulations modified by the FHFB to meet the distinctive needs of the Federal Home Loan Banks, our Board has enacted a resolution expressing its concurrence with this model approach.

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The Home Loan Bank of New York is working with the decision makers in Washington, D.C., to resolve the registration issue as expeditiously as possible.

I would like to thank each customer and stockholder for their business.

Sincerely,

Alfred A. DelliBovi
President