



Federal Home Loan Bank
NEW YORK

Affordable Housing Advisory Council 2015 Annual Report



Letter from the President and AHAC Chairperson

Dear Members,

On November 12, 2015, the Federal Home Loan Bank of New York's Affordable Housing Program ("AHP") was celebrated at Neighborhood Housing Services of New York City's Annual Dinner Dance Gala. It was a true honor for our cooperative, and a significant number of our colleagues attended the event. But this attendance was not limited to our Community Investment department – instead, they were joined by members of our Board, management team and colleagues from other functions across the Bank. So many areas of our organization were represented at the NHS event because the AHP – like all of our Housing and Community Lending programs – touches every part of our organization. These programs are not simply another product we offer our members – they are part of the fabric of our cooperative. They are a reflection of our mission and our purpose.

In 2015, we marked the 20th anniversary of the First Home Club ("FHC"), a program we developed on our own to meet a need that we saw in the communities our cooperative serves: too often, down payments and closing costs were acting as barriers to homeownership for otherwise qualified borrowers. In establishing the FHC, we created a non-competitive set-aside of the AHP to provide down payment and closing cost assistance through matching grants. We now offer grants of up to \$7,500, matching \$4 for each \$1 saved in a dedicated account to an eligible first-time homebuyer purchasing a home through one of our approved members. In the 20 years since the program's first dollar was matched, we have made more than \$78 million in grants to help more than 11,000 households achieve the dream of homeownership. In 2015, the FHC ushered in 1,845 new homeowners. And with more than 7,300 households currently participating in the FHC, we know that this program will continue to succeed for decades to come.

We know that homeownership can provide the foundation that leads to stronger communities, increased civic engagement and improved educational achievement for children. But the same can be said of stable and affordable rental housing. Many of the opportunities we help create through our AHP grants provide this type of much-needed housing. In 2015, we announced two rounds of AHP awards: in May, we announced four additional grants as part of our 2014 AHP round; and, as a result of process improvement efforts, we were able to approve our 2015 AHP grant applications faster than in previous years, allowing us to formally announce these awards in December. In total, we awarded more than \$30 million in grants in 2015, helping 39 projects to create or preserve nearly 3,000 homes, with nearly all of this support assisting rental housing.

In addition to our grant programs, our Community Lending Programs provide advances for affordable housing, disaster relief, small business lending, community investment, and rural and urban economic development. In 2015, our members took full advantage of this low-cost funding, with \$2.2 billion in commitments and \$1.9 billion in funding.

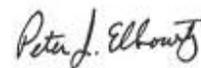
Our cooperative's housing mission is supported by both a strong team within the Bank focused on ensuring that we are meeting the needs of the communities we serve, and our Affordable Housing Advisory Council, comprised of housing leaders whose expertise and guidance help keep the Bank focused on our mission.

Our Community Investment programs work so well because they support the strong relationships that exist between our members – local lenders across New York, New Jersey, Puerto Rico and the U.S. Virgin Islands – and our region's many outstanding housing organizations. You are the ones who know the needs of the communities you serve. You are working to make people's lives better, and throughout 2015, we were proud and honored to work alongside you.

Sincerely,



José R. González
President and Chief Executive Officer



Peter J. Elkowitz, Jr.
Chairman, AHAC

Executive Summary

Since 1932, the Federal Home Loan Bank of New York has been assisting our member lenders in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands by providing a flexible source of liquidity to member community lenders engaged in home mortgage and neighborhood lending.

As a wholesale bank, we can only achieve our mission in collaboration with our member banks. Our members work with professionals in the housing industry to repair, build, and create affordable housing. The Home Loan Bank provides the framework to supply a continuous and reliable source of liquidity, under any economic conditions, so that our members can continue to meet the housing needs of their communities.

The Bank's 2015 Community Lending Plan recommended supporting its members in helping to meet the community lending needs in the District by:

- Encouraging continued use of Community Investment Cash Advance (CICA) products,
- Providing technical assistance to members and community groups, and
- Providing informational and marketing outreach.

The Bank achieved the above goals and provided financing to help develop affordable housing for thousands of families, as well as promoting economic development and small business activity in both urban and rural areas of our region.

The Affordable Housing Advisory Council of the Federal Home Loan Bank of New York Bank ("Bank") herein presents its 2015 Annual Report, that describes the actions taken by the Bank, in consultation with the Advisory Council, to fulfill its housing and community development mission.

SUMMARY OF AFFORDABLE HOUSING AND COMMUNITY LENDING PROGRAMS

Our affordable housing and community development programs include the Affordable Housing Program ("AHP"), the First Home Club ("FHC"), the three Community Lending Programs ("CLP"), and our Community Cash Investment Cash Advance (CICA) Letter of Credit Program.

The AHP was established through the Financial Institution Reform, Recovery and Enforcement Act of 1989 and is governed by the AHP Regulation, promulgated by the Federal Housing Finance Board (now "Agency") in 1990. Each year, the Bank contributes 10% of its annual net income to the Affordable Housing Program. The majority of these funds are competitively awarded to projects sponsored by member banks. A portion of the Bank's annual AHP contribution is allocated to the First Home Club ("FHC"), a set-aside program of the AHP, that provides down-payment and closing cost assistance to first-time homebuyers. Through the AHP and the FHC, the Bank has, since 1990, contributed over \$597 million in direct support of affordable housing for moderate-, low- and very low-income households.

The Community Lending Programs were established under the Community Investment Cash Advance ("CICA") regulation, promulgated by the Federal Housing Finance Agency. This regulation provides the Bank with the authority to establish programs to provide financing for eligible affordable housing and community/economic development lending activity. The Bank utilizes these programs to achieve our housing and community development goals in support of our mission. Through the Community Lending Programs, the Bank provides reduced-rate advances (loans) to our member banks, who in turn, lend within their communities. The Bank offers the Community Investment Program ("CIP") to provide financing for home ownership and rental housing development activities that benefit individuals/families with incomes at or below 115% of the area median income.

The Urban Development Advance (“UDA”) and Rural Development Advance (“RDA”) programs serve as funding sources specifically for economic development activities. The UDA benefits individuals/families living in urban areas with incomes at or below 100% of the area median income, while the RDA benefits individuals/families living in rural areas with incomes at or below 115% of the area median income.

The Bank furthers its mission to advance housing opportunity and local community development, through the issuance of CICA Letters of Credit used to finance lending activities that qualify for the Bank’s Community Lending Programs, and the issuance of Municipal Letters of Credit (“MULOCS”) that enable members to more easily attract municipal deposits, as additional form of low-cost liquidity.

The Bank also supports the mortgage markets, affordable housing and economic development within its district by diversifying its investment portfolio while providing funds to the mortgage markets through the following investment activities: 1) the direct purchase of qualifying whole loans from member banks through its Mortgage Partnership Finance program; 2) the direct purchase of housing finance agency bonds that meet our structure and term requirements; and 3) the purchase of government- and agency-backed mortgage-backed securities in the secondary market. This exchange of capital corrects market inefficiencies and helps to replenish lender funds available for future mortgage lending, while also enabling more affordable borrowing costs to the homeowner.

In consultation with the Affordable Housing Advisory Council, this report reviews the Bank’s accomplishments in fulfilling our housing and community development mission.

Affordable Housing & Community Lending Programs Summary

The following matrix provides a snapshot of the Bank's Housing and Community Lending Programs:

	Programs	Purpose	Uses	Beneficiaries	Types of Funding	Terms/ Conditions
Housing	Affordable Housing Program ("AHP")	Creation of owner-occupied and rental housing for very low-, low-, and moderate-income households	Finance acquisition, rehabilitation, or new construction of owner-occupied or rental housing	Households with incomes at or below 80% of the Area Median Income ("AMI")	Grants of up to \$20,000 per unit, or 10% of available subsidy	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines
	First Home Club ("FHC")	Assist very low-, low-, and moderate-income first-time homebuyers to purchase their first home	Provides down-payment and closing-cost assistance for the purchase of principal residence	First-time homebuyers with incomes at or below 80% of the AMI	4-to-1 matching grant, up to \$7,500 in assistance per household, additional \$500 to eligible counseling agency to defray costs	Eligibility requirements apply
	Community Investment Program ("CIP")	Home ownership and rental housing development	Purchase, construction, rehabilitation, refinance, and predevelopment	Individuals/ families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income requirements apply
Economic Development	Rural Development Advance ("RDA")	Finance economic development/ commercial lending activities in areas with a population of 25,000 or less	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/ families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply
	Urban Development Advance ("UDA")	Finance economic development/ commercial lending activities in areas with a population greater than 25,000	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/ families with incomes at or below 100% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply

Affordable Housing Program

The Financial Institutions Reform, Recovery and Enforcement Act (“FIRREA”) of 1989 requires each Federal Home Loan Bank to contribute 10 percent of the Bank’s prior years’ net earnings to fund affordable housing projects. Since 1990, the Bank allocates these funds to launch its annual competitive Affordable Housing Program (AHP). Since 1995, a portion of these earnings have also been set-aside for the First Home Club program, a down payment and closing cost assistance program for first-time homebuyers. Participation in AHP assists our members in meeting their Community Reinvestment Act (CRA) obligations through their support of AHP project applications submitted on behalf of project sponsors. Each member bank has a real commitment to the development of affordable housing as represented by each member’s share of Bank earnings that go toward funding the AHP – earnings that would have otherwise been paid out in dividends to the member.

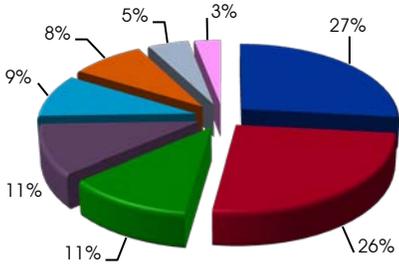
During 2015, the AHP staff implemented enhancements to streamline the timeframes involved for application review, progress reporting and drawdown processing. Enhancements included:

- Changes in the scoring criteria, video tutorials for applicants, enhancements to the financial workbooks and other process improvements resulted in the 2015 AHP application review process being completed in the shortest time frame since 2011;
- A new orientation process for sponsors that clarified the drawdown process and set a schedule for drawdown submission resulted in a 50% reduction in drawdown processing time;
- New project milestone dates during the progress reporting process resulted in a significant reduction in the number of projects with unfunded outstanding commitments greater than 3 years; and
- A focus on staff training resulted in a reduction in the time needed to review project information at each stage in the project lifecycle.

Across our district, (New York, New Jersey, Puerto Rico and the U.S. Virgin Islands), the AHP provides moderate-, low- and very low-income families, senior citizens, the homeless and other individuals with special needs, safe, decent and affordable homes.

Since the inception of the AHP program, the Bank, through its member lenders and their local partners (non-profit and for-profit affordable housing developers), has awarded over \$500 million in AHP grants, across more than 1,400 projects, helping to create over 64,000 units of affordable housing. The following chart provides the percentage of projects that have been approved and the total AHP subsidy dollars awarded since the inception of the AHP program (1990), within and outside our region:

AHP SUBSIDY APPROVED BY REGION SINCE INCEPTION (1990 – 2015)

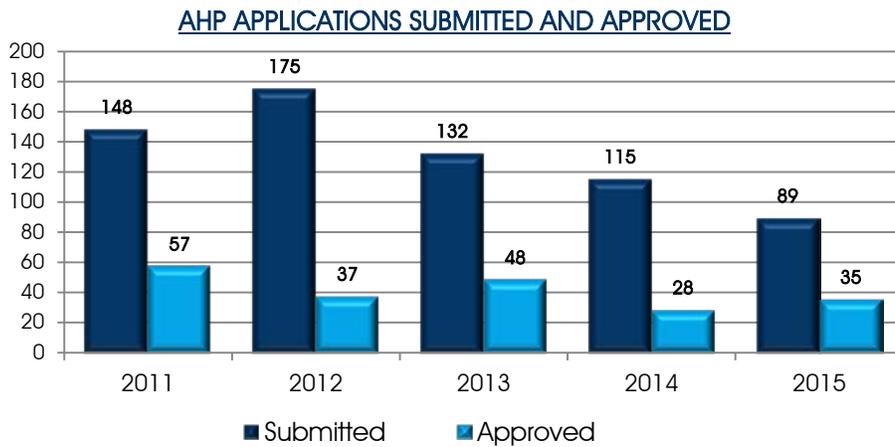


Region	AHP Subsidy	Region	AHP Subsidy
Western NY	\$137,122,090	Central NJ	\$47,376,228
Metro-Area NY	\$131,289,741	Southern NJ	\$43,779,401
Northern NJ	\$59,233,457	Out of District	\$24,121,841
Upstate NY	\$55,096,734	Puerto Rico & Virgin Islands	\$15,626,889

Total AHP Subsidy: \$513,646,381

**Some projects in New Jersey and New York are located in more than one region*

The number of AHP applications that have been submitted and approved between 2011 and 2015 is depicted below. (Note: The Bank offered two rounds of funding in 2011 and 2012 and since then, only one round of funding has been offered each year.):

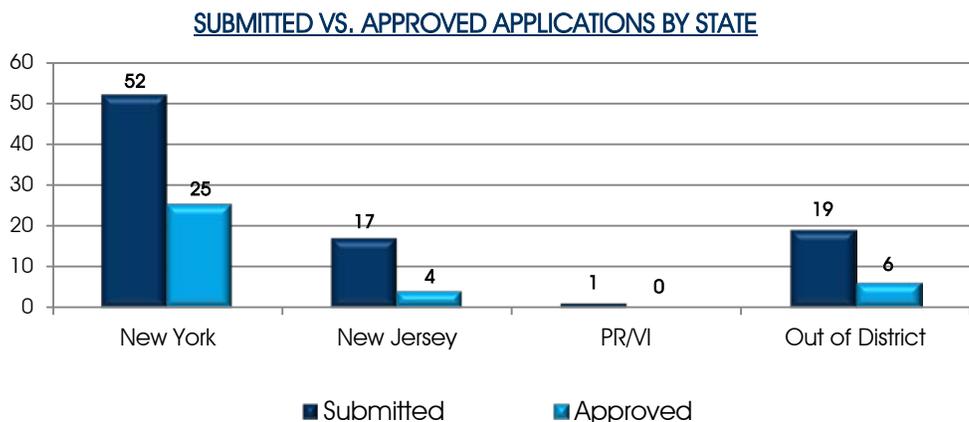


The following table provides statistics about applications that have been submitted and approved, between 2011 and 2015:

AHP Application Activity 2011 - 2015				
Year	Applications Submitted		Applications Approved	
	Number	Subsidy Requested	Number	Subsidy Approved
2011	148	\$78,689,596	57	\$33,662,195
2012	175	\$98,778,657	37	\$26,415,093
2013	132	\$93,790,271	48	\$35,528,640
2014	115	\$97,705,257	28	\$22,108,068
2015	89	\$75,176,047	35	\$27,122,509
Total	659	\$444,139,828	205	\$144,836,505

In 2015, the Bank conducted one AHP application period. A total of 89 applications were submitted, including 52 applications for projects located in New York, 17 for projects located in New Jersey, 1 application for a project located in Puerto Rico, and 19 applications for projects located outside of the Bank’s District. In total, \$75.2 million

of subsidy was requested to finance 6,477 units of affordable housing. Of these applications, the Bank approved 25 applications in New York, 4 applications in New Jersey, and 6 applications from outside of the Bank’s District. Member banks may only apply for AHP funding from the Federal Home Loan Bank in which they have membership. As a result, member banks with a lending footprint that stretches beyond the borders of our district (NY, NJ, PR and USVI), may submit AHP applications for projects located in the other states in which they lend. In total, \$27,122,509 of subsidy was approved to finance 2,576 units of housing. A list of approved projects in 2015 is provided on pages 9 through 10. The below chart provides a comparison of the submitted and approved applications by state or territory in 2015:



In 2015, New York projects had an approval rate of 48% versus 24% for New Jersey. However, over the past five years, the approval rate has been more balanced. The average approval rate between 2011 and 2015 for New York projects has been 34% while it has been 29% for New Jersey projects. The State of New York has continued to invest state capital budget dollars in affordable housing programs while the State of New Jersey’s investment has declined. The result is that the percentage of total applications submitted for New Jersey projects has declined from 35% in 2012 to 19% in 2015. Sponsors in New Jersey are unable to initiate as many projects as they have been able to do historically.

The affordable housing environment is even more challenging in Puerto Rico and the U.S. Virgin Islands where there are fewer members to submit applications, the economic environment is more challenging, and the non-profit sponsor network is far less defined than it is in New York and New Jersey. The Bank initiated increased outreach in Puerto Rico, the U.S. Virgin Islands, New Jersey and the underserved areas of New York in 2015 to improve the participation and approval rate in these portions of the district. Additional outreach in the underserved portions of the District continues as a focus in 2016. AHP funds play an important role in the project financing by filling the funding gap for projects. Every dollar of AHP committed in the 2015 funding round leverages \$16 of additional funding from an array of other funding sources including federal, state, and local housing programs, developer equity and charitable contributions.

In addition to approving the 2015 round, the Bank issued commitments to the four 2014 round alternates in 2015. This funding became available from the de-obligation and recapture of funding to projects that either did not come to fruition, needed less subsidy than originally anticipated, or returned funds for units that fell out of compliance prior to the end of their long-term retention period. Three projects in New York received \$2.93 million in subsidy to create 207 apartments. The fourth was an out-of-district project that received \$1.02 million in subsidy to create 51 apartments.

2015 AHP ROUND – PROJECTS APPROVED

PROJECT NAME	SUBSIDY	SPONSOR	MEMBER	ST
The Mt. Kemble Home	\$420,000	Homeless Solutions, Inc.	Valley National Bank	NJ
The Residences at Willow Pond Village	\$322,000	Housing Authority of the City of Perth Amboy	Citibank, N.A.	NJ
Trent Center East	\$1,508,781	Union Senior Association	Citibank, N.A.	NJ
Trent Center West	\$2,000,000	Union Senior Association	Citibank, N.A.	NJ
Blossom Village Apts. Rehabilitation	\$220,000	Urban League/Rochester	Manufacturers and Traders Trust Company	NY
City Homes Repair Program	\$375,000	South Wedge Planning Committee	Manufacturers and Traders Trust Company	NY
Concern Middle Island	\$1,200,000	Concern for Independent Living, Inc.	Astoria Bank	NY
Cornerstone Townhomes	\$500,000	Niagara Falls Housing Authority	Manufacturers and Traders Trust Company	NY
Finger Lakes Rural Housing Initiative	\$195,000	Finger Lakes Addictions Counseling/Referral Agency	The Canandaigua NB & Trust Company	NY
Gifford Permanent SRO	\$2,304,000	Rescue Mission Alliance of Syracuse	First Niagara Bank, National Association	NY
Greeley Apartments	\$396,278	Christopher Community Inc.	NBT Bank, N.A.	NY
HELP Buffalo II	\$850,000	HELP USA, Inc.	Evans Bank, National Association	NY
Highland Avenue School Apartments	\$181,660	People Community Housing Development Corp.	First Niagara Bank, National Association	NY
Lackawanna Municipal Housing Authority	\$2,600,000	Lackawanna Municipal Housing Authority	Manufacturers and Traders Trust Company	NY
Mamaroneck Towers	\$999,000	Mamaroneck Senior Citizens Apartment HDFC, Inc.	Citibank, N.A.	NY
Massachusetts Avenue Sustainable Homes	\$100,000	Massachusetts Avenue Housing Development Fund Corp	Manufacturers and Traders Trust Company	NY
Mt. Aaron Manor	\$150,000	Community Hope Builders CDC Inc.	Manufacturers and Traders Trust Company	NY
Nyack Point Apartments	\$613,000	Rockland Housing Action Coalition	Orange County Trust Company	NY
Onondaga Boulevard Apartments	\$566,693	Christopher Community Inc.	Manufacturers and Traders Trust Company	NY
Poets Landing II	\$516,000	Ithaca Neighborhood Housing Services, Inc.	First Niagara Bank, National Association	NY
Rebuilding Together Dutchess County	\$150,000	Rebuilding Together Dutchess County	Ulster Savings Bank	NY
St. Albans Cycle of Life	\$340,026	St. Albans Cycle of Life, Inc.	Astoria Bank	NY
St. Lukes Apartments	\$1,749,031	St. Luke Housing Development Fund Co., Inc.	Manufacturers and Traders Trust Company	NY
Stardom Hall	\$1,600,000	Lantern Group	HSBC Bank USA, National Association	NY
The Ida Yarbrough Homes Redevelopment	\$792,990	Albany Housing Authority	Manufacturers and Traders Trust Company	NY

PROJECT NAME	SUBSIDY	SPONSOR	MEMBER	ST
The Woodlands at Northside II	\$368,000	Action for a Better Community	Manufacturers and Traders Trust Company	NY
United Church Manor	\$901,600	United Church Manor Housing Development Fund Co., Inc.	Evans Bank, National Association	NY
Village Landing Apartments	\$588,655	Village of Skaneateles Housing Authority	NBT Bank, N.A.	NY
YMCA of Greater Syracuse	\$1,806,269	YMCA of Greater Syracuse, Inc.	NBT Bank, N.A.	NY
Fair Haven Redevelopment	\$831,526	Glendower Group, Inc.	First Niagara Bank, National Association	CT
Blessed Sacrament Supportive Housing	\$440,000	Marian House	Manufacturers and Traders Trust Company	MD
4050 Apartments	\$400,000	People's Emergency Center	First Niagara Bank, National Association	PA
Alician Senior Apartments	\$407,000	Philadelphia Presbytery Homes & Services for Aging	Manufacturers and Traders Trust Company	PA
St. John Neumann Place II	\$250,000	Catholic Archdiocese of Philadelphia's Office for Community Development	Manufacturers and Traders Trust Company	PA
Tioga Family Center	\$480,000	Gaudenzia Foundation, Inc.	Manufacturers and Traders Trust Company	PA

The following four AHP projects received their certificate of occupancy during 2015 and serve as excellent examples of the diversity in types of affordable homes that have been developed using AHP funds.

DICKERSON STREET SHELTER

Through First Niagara Bank, NA, the project sponsor, Rescue Mission Alliance of Syracuse, was awarded AHP funds in 2012 to rehabilitate and expand its existing 132 bed Dickerson Street Shelter. It now includes 183 beds, ten (10) congregate bathrooms, a laundry room, community space for resident interaction, a day center and office space. The sponsor is providing case management services to all residents that focus on long term, stable, and independent living. Additional financing was provided by the New York State Homeless Housing Assistance Corporation and sponsor equity. This was the sponsor’s first application to AHP. It has since received a commitment in 2015 to rehabilitate and expand a second facility on its campus to provide 128 SRO units.



First Niagara Bank, NA, has partnered with this sponsor on both of its successful AHP applications as well as submitting successful applications for an additional 74 sponsors. The chart below summarizes the participation of this member and sponsor from the inception of the AHP program:

AHP PARTICIPATION				
Entity	Projects	Units	AHP Subsidy	Total Development Costs
First Niagara Bank, National Association	104	4,370	\$40,469,146	\$540,172,520
Rescue Mission Alliance of Syracuse	2	311	\$4,284,000	\$21,362,817

VILLAGE AT GARWOOD

In 2012, the project sponsor, Westfield Senior Citizens Housing Corporation, was awarded AHP funds through Two River Community Bank to construct apartments for 71 very-low-income seniors. The building includes on-site laundry facilities, a community room and resident storage units. Each unit is handicapped adaptable and has emergency call features. Additional financing was provided by an investor in the Low Income Housing Federal tax credits and the U. S. Department of Housing and Urban Development Section 202 Supportive Housing for the Elderly program. This is the second successful AHP application submitted by the sponsor. Two River Community Bank has submitted successful applications for an additional 3 sponsors. The chart below summarizes the participation of this member and sponsor from the inception of the AHP program:



This is the second successful AHP application submitted by the sponsor. Two River Community Bank has submitted successful applications for an additional 3 sponsors. The chart below summarizes the participation of this member and sponsor from the inception of the AHP program:

AHP PARTICIPATION				
Entity	Projects	Units	AHP Subsidy	Total Development Costs
Two River Community Bank	4	172	\$2,020,000	\$37,638,496
Westfield Senior Citizens Housing Corp.	2	201	\$1,216,614	\$31,724,778

EL BARRIO ARTSPACE

The project sponsor, Artspace Project, Inc. along with its co-developer, El Barrio Operation Fightback, was awarded AHP funds in 2013 through Signature Bank to convert a vacant and abandoned school listed on the National Register of Historic Places into 90 apartments and 10,000 square feet it rents to community and arts organizations in East Harlem, New York. It is now home to low and very low income artists and their families and includes on-site laundry facilities, a large



community room and two courtyard spaces. Additional financing was provided by an investor in the Low Income Housing Federal, State and Historic tax credits, New York City Department of Housing Preservation and Development, the U.S. Department of Housing and Urban Development's Economic Development Initiative Special Projects program and developer equity. The project received the J. Timothy Anderson Award for Historic Rehabilitation from the National Housing and Rehabilitation Association in 2015.

This is the first successful AHP application submitted by the sponsor. Signature Bank has submitted successful applications for an additional 6 sponsors. The chart below summarizes the participation of this member and sponsor from the inception of the AHP program:

AHP PARTICIPATION				
Entity	Projects	Units	AHP Subsidy	Total Development Costs
Signature Bank	7	370	\$5,529,191	\$127,313,235
El Barrio Artspace	1	89	\$1,082,304	\$49,321,529

VOORHEES STATION

In 2011, Voorhees Station was awarded \$1.2 million in AHP subsidy to construct 75 apartments for very low- to moderate-income families and individuals on three vacant and under-utilized parcels of land in Somerset, New Jersey. Our member, Valley National Bank, submitted the application on behalf of the sponsor, Life Management, Inc. This sponsor provides social services and partners with developer, RPM Development, LLC., to construct homes for the individuals and families it serves. The development is LEED Platinum certified and features an energy-efficient design using sustainable construction materials and high-efficiency appliances. Additional financing was provided by Low Income Housing Tax Credits, the Franklin Township Affordable Housing Trust Fund and PNC Bank. Our member has partnered with this sponsor and developer on 6 successful AHP applications as well as submitting successful applications for an additional 17 sponsors. The chart below summarizes the participation of Valley National Bank and this sponsor/developer duo from the inception of the AHP program:



AHP PARTICIPATION				
Entity	Projects	Units	AHP Subsidy	Total Development Costs
Valley National Bank	24	1,039	\$161,710,764	\$9,730,571
Life Management/RPM	16	984	\$233,087,580	\$11,570,203

First Home Clubsm Program

The FHC is a non-competitive, set-aside program of the Affordable Housing Program (“AHP”) that is designed to assist income eligible first-time homebuyers in the purchase of a home. Down payment and closing cost assistance is provided through grants of up to \$7,500 based upon a \$4 to \$1 match of household savings in a dedicated account. In addition, \$500 is available towards the defrayment of non-profit housing agency counseling costs, for a maximum total grant of \$8,000. Households must participate in monthly systematic savings with the member bank that will ultimately provide the mortgage, for a minimum of 10 months. Closing on their new home should occur within 24 months of enrollment. Making a systematic deposit into a dedicated account mirrors the habit of making systematic mortgage payments. Combined with the completion of a homeownership counseling program, these two key elements of the FHC prepare households for long-term success. The default rate for FHC households, since the inception of the program has consistently been well below the industry average.

In 2015 First Home Clubsm (“FHC”) celebrated its 20th year anniversary of assisting first time homebuyers achieve their dream of homeownership. Since the program’s inception, the Bank, through its participating members, has:

- Awarded \$78,372,650 in matched savings grants for down payment and closing cost assistance; and
- Assisted 11,063 households attain their dreams of homeownership

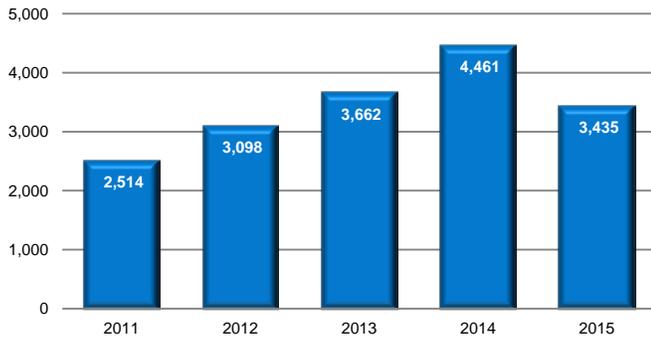
From 2011 through 2014, the FHC experienced an increasing trend in volumes with an average yearly increase in enrollments by 21% and in household funding by 28%. As of year-end 2014, the total number of households in the FHC pipeline was over 7,100 and growing rapidly. If left unchecked, the potential for the volume of FHC funding demand exceeding available FHC funds in a given year would become a growing likelihood. In consultation with the Advisory Council and the Housing Committee of the Board, the Bank determined that controlling the growth and size of the FHC pipeline was necessary. Therefore, commencing in 2015 the Bank implemented a target level for the active FHC pipeline and set a limit on the total annual enrollment inflow. This included setting annual household enrollment caps at the member level. Another challenge was the term length of the Bank’s commitment to fund the household (36 months). To make the program more manageable, the Bank reduced the length of time that the Bank is committed to funding a household to 24 months.

As of year-end 2015, the total number of households in the FHC pipeline was over 7,300 and there were 68 participating members. The top FHC member participants include:

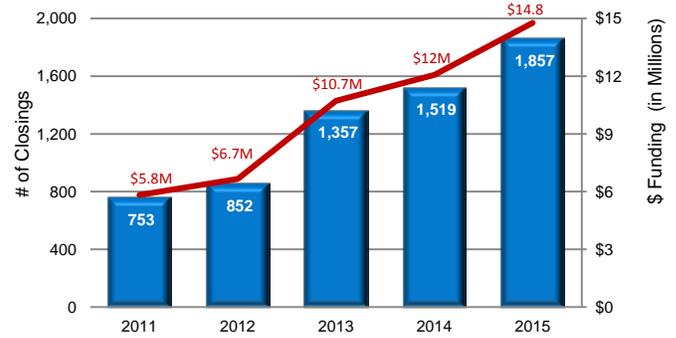
- First Niagara, National Association
- Manufacturers and Traders Trust Company
- State Employees Federal Credit Union (SEFCU)
- Empower Federal Credit Union

The charts below reflect the last five years of FHC enrollments and funding. Enrollment volume for 2015 reflects the introduction of enrollment caps.

FHC HOUSEHOLD ENROLLMENTS

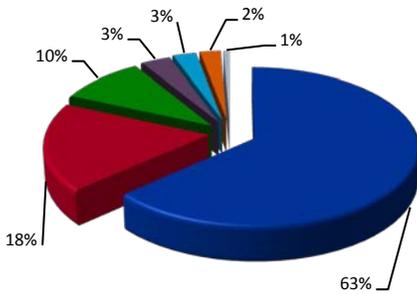


FHC HOUSEHOLD FUNDING



The graph below illustrates the geographic distribution of FHC funds since inception of the program.

FHC FUNDING BY REGION SINCE INCEPTION (1995 – 2015)



Region	Subsidy Awarded	Region	Subsidy Awarded
Metro-Area NY	\$7,482,620	Northern NJ	\$1,811,394
Upstate NY	\$14,307,157	Central NJ	\$2,508,371
Western NY	\$49,723,075	Southern NJ	\$525,358
Puerto Rico	\$2,014,675		

The success of the FHC program in Western and Upstate New York is attributed to two key factors: 1) the longstanding involvement of our members and their non-profit housing counseling providers with whom they partner; and 2) the affordability of homes for first-time homebuyers in that area of our district. A focus for 2016 will be to strengthen outreach efforts to members and non-profit housing counseling agency providers in underserved areas of our district.

Community Lending Programs

The Community Lending Programs (“CLP”) provide a continuous source of discounted rate advances to member banks for housing and economic development related activities within the communities that they serve. Whereas the Bank’s competitive AHP and set-aside FHC programs are grant programs, the CLP is a discounted advance program designed to support our member banks’ housing and economic development lending in low- to moderate-income areas.

Member banks first apply for a CLP Commitment and then, upon approval, may request a CLP advance in one of two ways:

- Project Specific – the member bank is financing a specific project that meets the eligibility criteria and would like to match-fund the terms of the CLP advance to the terms of the end loan; or
- Program Specific – the member bank originates loans that meet the eligibility criteria and seeks to fund the aggregate amount of the total loans originated, selecting their desired terms for the CLP advance.

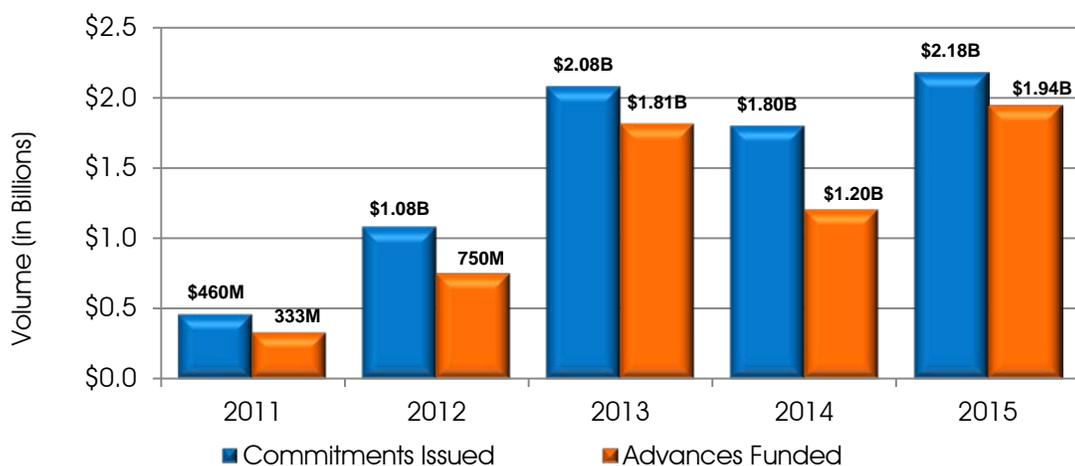
In both cases, the CLP advance must be drawn within 90 days of the closing on the eligible project loan or portfolio of loans originated. The member bank submitted loans are reviewed, qualified, and funds are made available under the CLP. The CLP programs serve to enhance the member’s CRA performance and profitability through community and economic development lending activities that serve households at the targeted income levels specified for each program.

The three Community Lending Programs are:

- Community Investment Program (“CIP”) – A Residential Lending program that benefits individuals and families who reside in single family owner-occupied homes, multi-family owner-occupied homes, and multi-family rental units. Annual household incomes must be at or below 115% of the Area Median Income (“AMI”).
- Urban Development Advance (“UDA”) – An Economic Development and Commercial and Mixed-Use property program that benefits individuals and families residing in an area or tract where the median family income is at or below 100% of the AMI, and with an area population greater than 25,000.
- Rural Development Advance (“RDA”) – An Economic Development and Commercial and Mixed-Use property program that benefits individuals and families residing in an area or tract where the median family income is at or below 115% of the AMI, and with an area population of 25,000 or less.

The CLP continues to grow in popularity with our member banks. In 2015, the Bank issued \$2.2 billion in CLP commitments and funded over \$1.9 billion in CLP advances. This represents an increase of 471% and 594% respectively from four years earlier.

COMMUNITY LENDING PROGRAM – COMMITMENT & ADVANCE SUMMARY



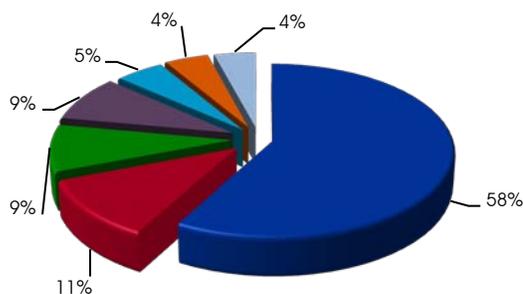
COMMUNITY INVESTMENT PROGRAM:

From January 1, 2015 until December 31, 2015, the Bank committed \$1,409,845,954 and funded \$1,190,293,160 to 18 member institutions in New York and New Jersey, which included \$140,040,950 in advances drawn on outstanding CIP commitments issued in 2013 and 2014. The details are as follows:

TOTAL CIP COMMITMENTS ISSUED AND FUNDED	COMMITTED	FUNDED
CIP COMMITMENTS ISSUED AND FUNDED IN 2015	\$1,409,845,954.00	\$1,050,252,210.00
CIP ADVANCES FUNDED IN 2015 ON COMMITMENTS ISSUED IN 2014	---	\$71,400,000.00
CIP ADVANCES FUNDED IN 2015 ON COMMITMENTS ISSUED IN 2013	---	\$68,640,950.00
Grand Total	\$1,409,845,954.00	\$1,190,293,160.00

In 2015, member banks submitted qualified loans totaling \$1,501,919,289. These qualified loans supported several counties within our district, as well as other areas outside of our district, that were within the member bank's mortgage lending footprint. CIP advances drawn in 2015 utilized 79% of the submitted qualified loans. Below is a chart detailing the CIP-qualified loan submissions from members, by geographical location.

CIP-QUALIFIED LOAN SUBMISSIONS BY REGION



Region	Qualified Loans	Region	Qualified Loans
Metro-Area NY	\$871,630,773	Northern NJ	\$167,375,071
Upstate NY	\$131,568,945	Central NJ	\$66,146,005
Western NY	\$62,588,390	Southern NJ	\$73,345,386
Puerto Rico	\$0	Other States	\$129,264,717

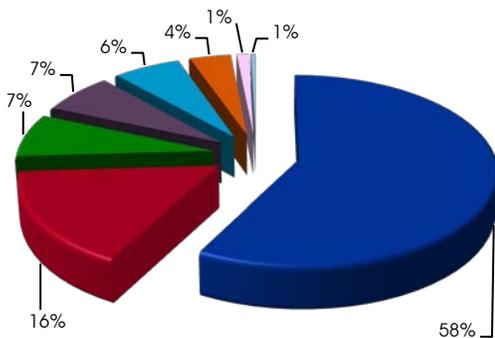
URBAN AND RURAL DEVELOPMENT PROGRAMS:

From January 1, 2015 until December 31, 2015, the Bank committed \$766,705,230.00 and funded \$753,962,638 to 19 member institutions in New York, New Jersey, and Puerto Rico that included \$246,291,408 in advances drawn on outstanding RDA and UDA commitments issued in 2013 and 2014.

TOTAL UDA/RDA COMMITMENTS ISSUED AND FUNDED	COMMITTED	FUNDED
COMMITMENTS ISSUED AND FUNDED in 2015	766,705,230.00	\$507,671,230.00
ADVANCES FUNDED IN 2015 ON COMMITMENTS ISSUED IN 2014	---	\$243,541,408.00
ADVANCES FUNDED IN 2015 ON COMMITMENTS ISSUED IN 2013	---	\$2,750,000.00
Grand Total	766,705,230.00	\$753,962,638.00

In 2015, member banks submitted qualified loans totaling \$950,981,285. These qualified loans supported counties in our district as well as other areas outside of our district, but within the member bank’s mortgage lending footprint. UDA and RDA advances drawn in 2015 utilized 79% of the submitted loan pools. The below chart detail UDA and RDA qualified loan submissions from members, by geographical location.

RDA & UDA QUALIFIED LOANS BY REGION



Region	Qualified Loans	Region	Qualified Loans
Metro-Area NY	\$550,172,675	Western NY	\$59,555,126
Northern NJ	154,485,737	Other States	\$36,435,000
Puerto Rico	\$70,490,497	Upstate NY	\$10,601,748
Central NJ	65,035,500	Southern NJ	\$4,205,000

DISASTER RELIEF PROGRAM:

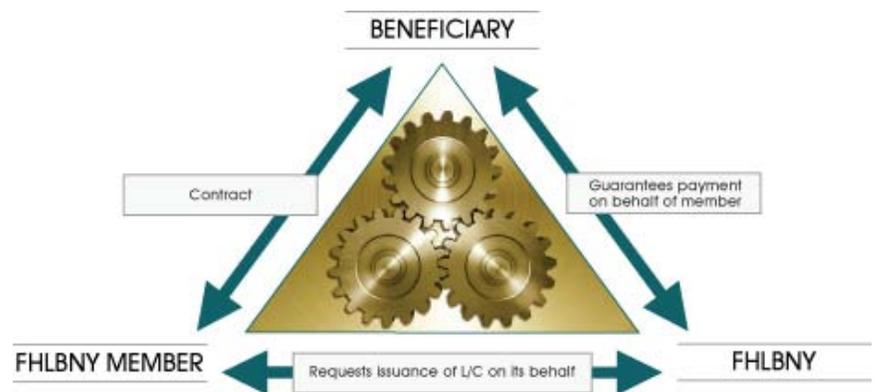
The Disaster Relief Funding Program (“DRF”) provides immediate financing in areas that have been officially designated as Federal or State disaster areas. The Bank may offer this program to its members under the RDA or UDA in instances in which FEMA designations have been issued. In 2015 the Bank did not offer this program to our members.

Letters of Credit that Expand Community Development Initiatives

A letter of credit ("LOC") is a credit instrument, issued by a bank, guaranteeing payment on behalf of its customer to a beneficiary for a stated period of time and when certain conditions are met. A Bank LOC which substitutes the issuing member bank's credit for the credit of the Bank. Bank LOCs are AAA-rated by both Moody's Investors Service and Standard & Poor's – the leading providers of independent credit ratings. According to Moody's Investors Service, AAA-rated is judged to be the best quality and carries the smallest degree of investment risk. A Bank LOC is collateralized in the same way as an advance. The Bank charges a fee for issuing LOCs and for draws under an LOC.

THE BANK'S LOC PROCESS:

The Bank's Irrevocable Standby LOCs provides that the Bank will make payment to the LOC beneficiary in the event of a member bank's default or failure to perform under a contract or other agreement between parties.



CICA LOCs are utilized to finance lending activities that also qualify under the Bank's CLPs which promote community-oriented mortgage lending. When LOCs are used for eligible housing and community purposes, they facilitate transactions that promote home financing, housing activity, or financing of commercial and economic development.

Municipal Letters of Credit ("MULOC") enable member banks to more easily attract municipal deposits as additional forms of liquidity, which help member banks to better serve their communities. In addition, the Bank offers Refundable MULOC to provide member banks with more flexibility in collateralizing municipal transaction accounts, whose balances fluctuate over time.

Other purposes for which members may routinely use LOCs include:

- Provide credit enhancements for collateral subordinated obligations or other mortgage-backed securities
- Provide credit support in the sale of whole mortgage loan portfolios
- Facilitate the beneficiary's drawing of interest payments from a bond issue
- Support tax-exempt municipal bonds

As of December 31, 2015 the Bank had a total of 455 outstanding LOCs amounting to \$12,394,264,098 consisting of the following LOC types:

TOTAL OUTSTANDING	LETTER OF CREDIT TYPE	AMOUNT OUTSTANDING
11	CICA Letters of Credit	\$73,877,607
4	Standby Letters of Credit	\$15,461,991
403	Municipal Letters of Credit	\$11,364,984,500
37	Refundable Municipal Letters of Credit	\$939,940,000

In 2015, First Niagara Bank, National Association (“FNB”) participated in the Bank’s CLP program to assist four customers to obtain mortgage loans from the New York State Housing Finance Agency (“NYSHFA”) to benefit low-income families with annual incomes at or below 60% of the median family income for the area. All of these mortgage loans were funded through the issuance of NYSHFA tax-exempt housing revenue bonds. FNB requested the Bank to issue on its behalf four Confirming Standby CICA LOCs to credit enhance FNB’s Direct Pay LOC to the NYSHFA as beneficiary. The Confirming Standby CICA LOCs issued by the Bank ensured that NYSHFA obtained the AAA rating it needed to sell its bonds.

Below are the details of the four FNB Confirming Standby CICA LOCs:

<u>Project Name</u>	<u>Amount Issued</u>	<u>Term</u>	<u>Project Details</u>
Lake Ravine, LLC	\$7,280,305	2 Years	Acquisition and re-development of 111 multi-family residential rental housing units at seven locations in Rochester, New York.
Evergreen Lofts Supportive Residence	\$8,335,709	2 Years	Construction of 56 multi-family residential rental housing units at three locations in Buffalo, New York.
VOA Cobblestone Apartments, LLC	\$5,829,084	2 Years	Construction of 60 multi-family residential rental housing units located in Webster, New York.
Alexander Street Apartments, LLC	\$8,625,605	2 Years	Construction of 60 multi-family residential rental housing units located at Rochester, New York.

FNB also applied on behalf of the project owners to obtain commitments of AHP funding for 3 of the above projects. Lake Ravine, LLC received a \$600,000 AHP commitment in 2012), Evergreen Lofts Supportive Residence received a \$1,036,000 AHP commitment in 2014) and VOA Cobblestone Apartments, LLC received a \$300,000 AHP commitment in 2014).

Housing Finance Agency Credit Activity and Investments

The Bank furthers its mission project to advance housing opportunity and local community development through its purchase of housing finance agency bonds. In 2015, the Bank purchased \$33 million in floating rate interest bonds from the New York City Housing Development (HDC). Because of the longer maturity of the cash flows, these bonds were not as attractive to other institutional investors. The structure enabled both sides in the transaction to mitigate risks within their portfolios. HDC's mission is to increase the supply of multi-family housing, stimulate economic growth and revitalize neighborhoods by financing the creation and preservation of affordable housing for low- , moderate- , and middle-income New Yorkers. It does so in part by loaning the proceeds of its bond sales to develop or preserve affordable housing. Bond financing enables project developers to access as of right " 4%" Low-Income Housing Tax Credits that are purchased by private investors, thus multiplying the funding available to preserve and expand affordable housing in the district.

Outreach, Technical Assistance and Community Support

OUTREACH AND TECHNICAL ASSISTANCE

Throughout the year, Bank personnel perform outreach and provide technical assistance activities to various interested parties throughout the District to ensure that the benefits of the Bank's programs are well known.

These activities include:

- Individual meetings with member institutions
- Individual meetings with non-profit organizations, developers or other interested parties
- Individual meetings with state and local government agencies
- Presentations at various conferences and seminars throughout the District
- Sponsorship of various conferences and seminars throughout the District
- Attendance and/or speaking opportunities at project-related events (ground breakings, ribbon cuttings, etc.)
- Attendance and/or sponsorship of functions held by member institutions and non-profit organizations

Examples of outreach activities during 2015 included the following:

- On May 13, 2015, FHLBNY staff participated in a panel discussion at the New York State Association for Affordable Housing (NYSFAFH) Conference in New York, New York. The presentation highlighted how to use the Affordable Housing and Community Lending Programs to fill funding gaps in affordable housing projects.
- On June 26, 2015, the FHLBNY sponsored a conference in St. Thomas, Virgin Islands. FHLBNY staff presented an overview of the Home Loan Bank's Community Investment products including the Affordable Housing Program, First Home Club and Community Lending Programs.
- On September 17, 2015, FHLBNY staff made a presentation at the FDIC conference in San Juan, Puerto Rico. FHLBNY staff presented an overview of the Home Loan Bank's Community Investment products including the Affordable Housing Program, First Home Club and Community Lending Programs.
- On October 20, 2015, FHLBNY staff participated in a panel discussion at the Housing and Community Development Network of New Jersey (HCDNNJ) Conference in East Windsor, New Jersey. The presentation focused on ways to combine the Affordable Housing Program and the Community Lending Programs with the National Housing Trust Fund.

COMMUNITY SUPPORT REGULATIONS

The Community Support Regulations mandated by the Financial Institutions Reform Recovery and Enforcement Act of 1989 were put into effect during 2003. As per the regulations, it is required that stockholder institutions of each Federal Home Loan Bank prepare Community Support Statements, which are forwarded to the Federal Housing Finance Agency approximately once every two years. These Community Support Statements take into account the member bank's performance under the Community Reinvestment Act and its record of lending to first-time homebuyers. The Bank acts as a liaison between our member institutions and the Federal Housing Finance Agency and provides technical assistance to help our member banks remain in compliance.

2015 Affordable Housing Advisory Council

Peter J. Elkowitz (Chairman)

President & CEO
Long Island Housing Partnership, Inc.
Hauppauge, New York

Deborah Boatright

Regional Director
NeighborWorks America / Northeast Region
New York, New York

Susan Cotner

Executive Director
Affordable Housing Partnership
Albany Community Land Trust
Albany, New York

Robert Di Vincent

Executive Director
West New York Housing Authority
West New York, New Jersey

Melody Federico

Chief Real Estate Officer
NewBridge Services, Inc.
Pequannock, New Jersey

Tyrone Garrett

Executive Director
Long Branch Housing Authority
Long Branch, New Jersey

Daniel Kelly

President
Community Quest
Egg Harbor Township, New Jersey

Bernell K. Grier (Vice Chair)

Chief Executive Officer
Neighborhood Housing Services of New York City
New York, New York

Colin McKnight

Deputy Director
New York State Rural Housing Coalition
Albany, New York

Carrie Michel-Wynne

Director of Housing
YWCA of Rochester & Monroe County
Rochester, New York

Faith Moore

Executive Director
Orange County Rural Development Advisory Council
Walden, New York

Maria G. Rodriguez-Collazo

Director of Housing Programs
PathStone Corporation
Ponce, Puerto Rico

Gary van Nostrand

President/Chief Executive Officer
SERV Behavioral Health System, Inc.
Ewing, New Jersey

2015 Board of Directors' Housing Committee

Reverend Edwin C. Reed (Chairman)

President and CEO
GGT Development LLC
Jamaica Estates, New York

Kevin Cummings

President and CEO
Investors Bank
Short Hills, New Jersey

DeForest "Buster" Soaries, Jr.

Senior Pastor
First Baptist Church of Lincoln Gardens
Somerset, New Jersey

Vincent F. Palagiano

Chairman and CEO
The Dime Savings Bank of Williamsburgh
Brooklyn, New York

Anne Evans Estabrook (Vice Chair)

Owner and CEO
Elberon Development Co.
Cranford, New Jersey

David J. Nasca

President and CEO
Evans Bancorp., Inc.
Hamburg New York

Larry E. Thompson

Managing Director and General Counsel
The Depository Trust & Clearing Corporation Company
New York, New York

2015 Federal Home Loan Bank of New York Staff: CLP, AHP, FHC

Paul Héroux

Senior Vice President, Head of Member Services

AFFORDABLE HOUSING PROGRAM

Joseph Gallo

Vice President, Director and Community Investment Officer

Malinda Walker

Community Investment Assistant

Celena Núñez

Manager, Business Processes and Monitoring

Daniel Randall

Manager, Affordable Housing Operations

Jennifer Alberto

Community Investment Monitoring Analyst

Kristy Seyfert

Senior Community Investment Analyst

Genevieve Cabanilla

Community Investment Monitoring Analyst

Beth Bentley

Affordable Housing Operations Officer

Lourdes Martinez

Community Investment Quality Control Analyst

Zhuo Ru Li

Community Investment Analyst

Anthony Panella

Community Investment Analyst

Akil Mew

Community Investment Analyst

Lina Vo

Community Investment Analyst

FIRST HOME CLUB PROGRAM

Cynthia Palladino

Vice President, Director

Holly Kelly-Mattis

Manager, First Home Club

Glenda Gunning

First Home Club Analyst

Steven Cohen

First Home Club Analyst

Karla Zuber

First Home Club Analyst

Taylor Brand

First Home Club Analyst

COMMUNITY LENDING PROGRAMS (CIP, UDA, RDA)

Michael Volpe

Vice President, Director

Michael Desiderio

Assistant Vice President, Credit Officer

John Ryjacek

New Account Representative

Advancing Housing and Community Growth



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