



CREDIT PRODUCT DESCRIPTIONS

Whatever your specific funding needs, the Federal Home Loan Bank of New York (HLB) has a credit product designed to meet your objectives. Members can customize advances with a wide variety of maturities and structures, enabling you to conservatively match assets and liabilities. HLB advances can be customized by size, settlement date, amortization schedule, call/put options, and more.

Overnight Advance

A quick source of liquidity to help manage daily cash flows and provide funding for various short-term uses

Advantages:

- » Same-day access to funds for immediate cash needs
- » Ability to borrow up to maximum borrowing capacity
- » No additional borrowing limit restrictions above standard HLB credit and collateral limits
- » No set-up or renewal fees
- » Can be initiated conveniently through 1Linksm, our secure internet banking system (Receive a 4 bps discount on the overnight rate when initiated through 1Link)

Repo Advance

Obtain competitively priced funds when using Treasury or Agency issued Mortgage-Backed, or CMO securities collateral

Advantages:

- » Effectively utilize your securities portfolio as collateral
- » No penalties for pledging smaller blocks of securities
- » Receive the same low rates for AAA-rated Agency and Non-Agency securities
- » Maturities from 2 days to 10 years

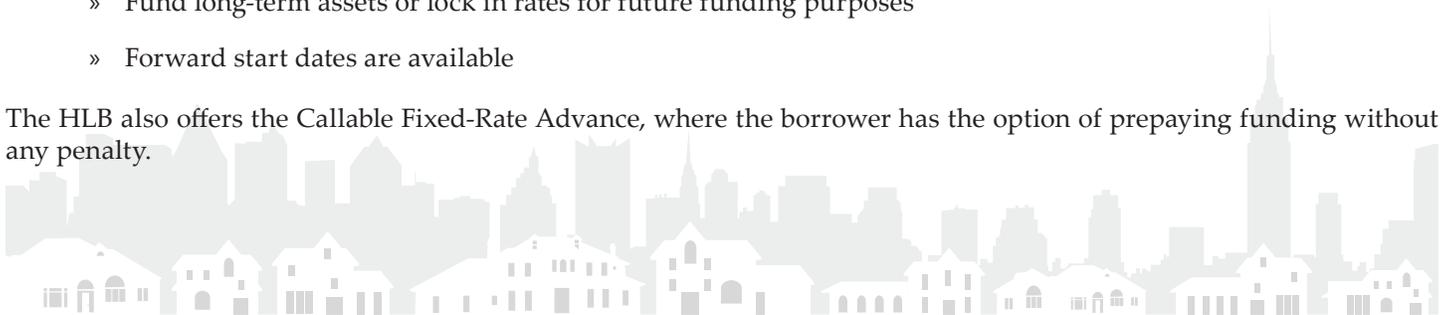
Fixed-Rate Advance

Achieve a wide variety of financial management goals, with maturities ranging from 2 days to 30 years

Advantages:

- » Meet liquidity needs
- » Fund long-term assets or lock in rates for future funding purposes
- » Forward start dates are available

The HLB also offers the Callable Fixed-Rate Advance, where the borrower has the option of prepaying funding without any penalty.





Adjustable-Rate Credit (ARC) Advance

Match the interest rate characteristics of your adjustable-rate loan portfolio

Advantages:

- » Reduce basis risk by funding adjustable rate assets with financing tied to the same repricing index
- » Can be tailored to meet specific financing needs with a wide range of maturities, up to 10 years
- » Can be linked to a wide variety of indices, including 1-, 3-, and 6-month LIBOR, Treasury bills, notes, and bonds, and Fed Funds
- » Limit exposure to rising rates by using an embedded rate cap

Strip Advance

Manage interest rate risk by setting your own quarterly principal payoff schedule to closely match cash flows between your funding and mortgage assets

Advantages:

- » Achieve funding flexibility by creating your own payoff schedule
- » Better match-fund the duration and amortization characteristics of mortgages, an MBS pool or other assets
- » Maturities from 1 to 30 years

Amortizing Advance

Match the amortization characteristics of your fixed-rate mortgage portfolio

Advantages:

- » Enhance match funding of long-term assets
- » Borrow fixed-rate funds with the option of customizing the amortization schedule to match a selected prepayment profile
- » Maturities and amortization schedule from 1 to 30 years

Callable Advance

An advance with built-in prepayment options that can help members reduce interest rate risk and prepayment risk at minimal added cost

Advantages:

- » More closely fund fixed-rate mortgages
- » Take advantage of downward movements in interest rates and steep yield curves
- » No prepayment fee when called on specified date
- » Good hedging tool against mortgage loan prepayment risk



Principal-Deferred Advance (PDA)

A hybrid advance product that combines elements of the Fixed-Rate and Amortizing Advance. It begins as a Fixed-Rate Advance, allowing members to choose a specific amount of time they would like to defer the principal payment of the advance up to 5 years. When the lockout or principal-deferred period ends, the advance becomes an Amortizing Advance, where the member makes principal and interest payments on the loan up to another 30 years.

Advantages:

- » Valuable asset/liability management tool
- » Fully amortizing backend with a choice of varying balloon terms
- » Mirrors characteristics of a typical construction deal with a permanent take-out
- » No embedded options in the advance

Putable Advance (formerly known as Convertible Advance)

A wide array of maturities and lockouts for medium- to long-term funding where the HLB owns an option to terminate the advance at specified times

Advantages:

- » Competitive pricing
- » Customize maturities from 2 to 10 years and lockout periods from 3 months to 7 years
- » One-time or quarterly option exercise
- » Customized strikes are available

Letters of Credit (L/C)

Supports liquidity, asset/liability management, and housing and economic development activities

Advantages:

- » Triple-A-rated guaranteed payments to third parties in the event of a default of performance by a member
- » Efficient and low-cost way to collateralize state and local government deposits
- » Provides credit enhancements for a variety of transactions
- » Maturities from 2 weeks to 10 years
- » Available at a discounted price to facilitate transactions that promote eligible housing and community development activities

Interest Rate Swaps

Reduce risk in your balance sheet caused by the fluctuations in interest rates with these instruments, which normally involve an exchange of a fixed payment for a payment that is not fixed, such as LIBOR, based on a specified principal amount

Advantages:

- » Lower the cost of funding
- » Hedge interest rate exposure or increase the certainty of future funding costs
- » Achieve asset/liability management goals



Interest Rate Caps, Collars & Floors

Reduces income fluctuations caused by interest rate volatility

Advantages:

- » Caps - can protect you against a rise in interest rates and limit the interest cost on a floating-rate liability
- » Floors - can limit the impact to earnings from significant declines in interest rates
- » Collars - gives you protection against both rising and falling interest rates

For more information contact a Calling Officer at (212) 441-6700 or visit www.fhlbny.com/credit.

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