Federal Home Loan Bank of New York

MEMBERSHIP FAQS

Membership Eligibility at the Federal Home Loan Bank of New York (FHLBNY)

Can a foreign financial institution operating in the United States and regulated by a U.S. regulatory agency, such as the Board of Governors of the Federal Reserve System, become a member of the FHLBNY?

No. Members must be chartered by a U.S. federal or state regulatory agency, such as the Office of Thrift Supervision, the Office of the Comptroller of the Currency, the National Credit Union Administration, or a state Banking or Insurance Department.

Where must a financial institution be headquartered in order to become a member of the FHLBNY?

In order to join the FHLBNY, an institution's "principal place of business" must be located in the State of New York, the State of New Jersey, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands. Ordinarily, the "principal place of business" is the state in which the institution maintains its "home office" pursuant to the laws under which it is organized.

What if a financial institution's "home office" is in a state located in another Federal Home Loan Bank (FHLBank) district that is adjacent to New York or New Jersey – is there any membership opportunity potentially available with the FHLBNY?

If an applicant's "home office" is located in an adjoining Federal Home Loan Bank district, the applicant may ask that the Board of Directors of the "other" FHLBank designate, solely for the purposes of FHLBank membership, the "principal place of business" of the institution as being located in the States of either New York or New Jersey. In order to make this request, the applicant must (i) maintain, locate, or hold at least 80% of its accounting books, records, and ledgers in either New York or New Jersey; and (ii) conduct a majority of meetings of its Board of Directors and constituent committees in either New York or New Jersey. In addition, the place of employment of a majority of the applicant's five highest paid officers must be located in either New York or New Jersey.

Withdrawing from Membership at the FHLBNY

Can a member voluntarily withdraw from FHLBNY membership and, if so, what happens to its Capital Stock?

A member which intends to withdraw from membership voluntarily must send a written withdrawal notice to the FHLBNY. As a general rule, withdrawal becomes effective and capital stock is redeemed at par value payable in cash five years following the date on which the FHLBNY received the withdrawal notice. More information about these matters can be found in the FHLBNY's Capital Plan located at www.fhlbny.com/capitalplan.

Can a former member re-apply for membership?

Yes; however, a former member may not be readmitted to membership in any FHLBank for a period of five years from the date on which membership was terminated and all of its stock was redeemed or repurchased.

Preliminary Worksheets for Membership at the FHLBNY

Are there worksheets that a prospective member can use to determine if they qualify for membership in the FHLBNY?

Yes. Preliminary worksheets are located at www.fhlbny.com/members for interested thrifts, commercial banks, credit unions, life insurance companies and community development financial institutions that allow these entities to conduct various tests to see if they potentially qualify for membership.

Required Membership Forms for Membership at the FHLBNY

Should an applicant fill in the effective date on the required FHLBNY agreements specified in the Summary of Forms and Agreements (HLB-100)?

No, applicants should not fill in the effective date on these FHLBNY agreements. However, the executor should date his or her signature where indicated.

Are there any pages of the Membership Application (HLB/APP-001) or the Advances, Collateral Pledge and Security Agreement (HLB-101) which must be impressed with an applicant's corporate seal?

Yes -- both page 6 of the Membership Application, which contains the attorney certification, and page 10 of the Advances, Collateral Pledge and Security Agreement, must be impressed with the institution's corporate seal.

Must an applicant submit a home financing policy written justification?

A home financing policy written justification is required only if the applicant does not have a satisfactory Community Reinvestment Act (CRA) rating or is not subject to the CRA. In such cases, a written justification must be provided to the FHLBNY detailing specifically how and why the institution's home financing policy is consistent with the Federal Home Loan Bank System's housing finance mission, as well as how and why the institution's home financing credit policy and lending practices meet the credit needs of the institution's community.

Can an applicant's Corporate Secretary or Assistant Corporate Secretary who executes the Global Authorization Form (GAF) also be listed on the GAF as a person who is authorized to initiate or verify transactions?

No. The person who executes the GAF (HLB-106) cannot also be authorized to initiate or verify transactions. In the event there is no Corporate Secretary or Assistant Corporate Secretary, or the Corporate Secretary or Assistant Corporate Secretary performs transactions, the applicant must send a letter requesting a waiver of this requirement. Waivers are subject to the discretion of FHLBNY management.

Must all applicants submit a Schedule of Customer Subsidiary/Affiliate Structures - Status of Pledge or Non-Pledge of Assets Form (COL-131)?

Yes, each applicant must submit a Schedule of Customer Subsidiary/Affiliate Structures - Status of Pledge or Non-Pledge of Assets Form even if the applicant does not have any subsidiaries/affiliates.

Must all applicants submit responses to the Subsidiary/Affiliate Questionnaire Form (COL-130)?

An applicant must submit responses to the Subsidiary/Affiliate Questionnaire Form only if it has subsidiaries and/or affiliates. Responses are required for each subsidiary/affiliate.

Must all applicants submit a UCC-1 Filing Information Request Form (COL-139)?

Yes, all applicants must submit a UCC-1 Filing Information Request Form. This is because the information provided will be used to prepare UCC-1 financing statements that are filed by the FHLBNY. In order to protect the FHLBNY's interest in collateral for outstanding obligations, including advances, under Article 9 of the Uniform Commercial Code, the FHLBNY files a UCC-1 financing statement for each member institution once its membership is approved and becomes effective.

All membership forms can be found at www.fhlbny.com/members under *Forms & Agreements > New Membership*.

Capital Stock at the FHLBNY

Once approved, how much Capital Stock must be purchased?

Each member is required to maintain a minimum level of membership stock for as long as it remains a member of the FHLBNY. The amount of required membership stock is, generally speaking, equal to a specified percentage of "mortgage-related assets" held by the member. Members are also required to purchase activity-based stock in an amount, generally speaking, equal to a specific percentage of the outstanding principal balance of advances extended to the member. The FHLBNY's Capital Plan (located at www.fhlbny.com/capitalplan) provides specific details about capital stock purchase requirements.

Does the par value of the FHLBNY's Capital Stock change?

No. All of the FHLBNY's capital stock is purchased and redeemed at $100 par value. There is no public market for FHLBNY stock, and the stock is not publicly traded.

Does the FHLBNY pay dividends on its Capital Stock?

The FHLBNY has historically paid cash dividends on its Capital Stock. Payment of dividends is subject to approval by the FHLBNY's Board of Directors. Historical information about past dividend rates can be found at www.fhlbny.com/aboutus under *Investor Relations*.

If approved by the FHLBNY's Board of Directors, when does the FHLBNY pay dividends on its capital stock?

The FHLBNY's practice has been to pay cash dividends at least six weeks (or longer) after the close of the calendar quarter.

Have a question not listed above?

Contact a Calling Officer at (212) 441-6700 and they will answer any questions you may have or visit www.fhlbny.com/aboutus for more information about the FHLBNY.

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