



Federal Home Loan Bank
NEW YORK

**CHARTER OF THE RISK COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE FEDERAL HOME LOAN BANK OF NEW YORK**

*Approved by the Board of Directors March 2026
Effective as of March 19, 2026*

I. Introduction

The Federal Home Loan Bank of New York's ("Bank") Board of Directors ("Board") has established the Risk Committee ("Committee") to serve as the body dedicated to the understanding and consideration of key risks related to the Bank's objectives, strategies, activities, and environment.

II. Purpose

The purpose of the Risk Committee is to provide:

- (1) oversight of the Bank's risk governance structure ensuring the establishment and implementation of an effective Risk Management System, to include, but not be limited to, risk appetite, policy framework, tolerance limits, reporting/escalation, and control; (2) oversight of the CEO and management with respect to Bank's management of risk to ensure that key and emerging risks are identified, assessed, monitored, and handled in a manner within established risk appetites and capabilities; and (3) oversight of the Bank's Risk Management Group.

III. Scope

The scope of the Committee's responsibilities will focus on key risks to include but not limited to: Financial; Liquidity; Credit and Collateral; Technology, Operational, Strategic, and Systemic risks. How the Committee carries out those responsibilities shall be set forth in this Charter, which has been adopted and approved by the Bank's Board. The Committee shall comply with applicable laws, rules and regulations of the Federal Housing Finance Agency ("FHFA"), which shall include the FHFA's Prudential Management Operations Standards and Powers and Responsibilities of Banks Boards of Directors and Senior Management.

IV. Committee Structure and Composition

The Committee shall consist of at least five members of the Board. Committee members shall be designated by the Board, in accordance with Article IV, Section 3 of the Bank's Bylaws. The Board shall designate one Committee member as the Chair and one Committee member as the Vice Chair. One Committee member shall be designated as the Committee's risk expert and should possess risk management expertise commensurate with the activities and risk exposures of the Bank.

Committee members should, to the extent possible, serve staggered terms to promote continuity of service and risk awareness.

V. Membership Requirements

All members of the Committee shall be deemed independent¹ as specified under FHFA 12 CFR 1239.32.

Each member shall be literate in risk management as interpreted by the Board in its business judgment or shall become literate within a reasonable period after appointment to the Committee.

VI. Meetings

The Committee shall meet as necessary, in no event less than once per quarter, to permit comprehensive and timely oversight of key risks.

The Committee Chair shall prepare an agenda in advance of each meeting consistent with this Charter and in consultation with the President and Chief Executive Officer (“CEO”), the Chief Risk Officer (“CRO”) and Committee members.

A majority of the members shall be necessary to constitute a quorum. The Committee will adhere to Article III, Section 4 *Quorum and Voting* of the Bank’s Bylaws for actions and resolutions requiring a vote.

The Committee will meet in executive session with the CRO on an as needed basis.

VII. Specific Duties and Responsibilities

Risk Committee is responsible for establishing the Bank’s risk appetite and for directing and overseeing the Bank’s implementation of an effective risk management system. The CRO is responsible for the day-to-day management of the Bank’s risk system and for providing effective independent oversight of the Bank’s risk and compliance functions within applicable laws, rules and regulations. Business managers have first line responsibility for identifying and managing risk in their assigned areas as well as notifying both management and the Risk Management Group of their status. The CRO provides independent risk oversight and overall leadership regarding the risk governance framework and processes including risk measurement, monitoring, control / mitigation, and reporting. The CRO reports directly to the CEO, and to the Board through the Risk Committee Chair.

The Committee’s responsibility with respect to risk shall be that of oversight, review, and referral to the Board, as appropriate. Specific duties and responsibilities of the Committee shall include, but are not limited to, the following:

General Committee Duties and Responsibilities

1. Approve the Bank’s Risk Appetite, Risk Budget and tolerance limits with the Bank’s Strategic/Business Plans;
2. Oversee management’s activities to ensure alignment with the Bank’s Risk Appetite through

¹ For purposes of the Risk Committee, the Board has adopted the FHFA’s independence standard otherwise applicable to Audit Committee members under 12 CFR 1239.32. This regulation specifies that any member of the Bank’s Board of directors shall be sufficiently independent to serve as a Committee member if that director does not have a disqualifying relationship with the Bank or its management that would interfere with the exercise of that director’s independent judgment. Such disqualifying relationships include being employed by the Bank in the current year or any of the past five years, receiving any compensation (other than for service as a Board director), or serving as a consultant, advisor, promoter, underwriter, or legal counsel of, or to, the Bank in the past five years. An immediate family member who is or has been in any of the past five years, employed by the Bank as an executive officer also disqualifies a Committee member from being independent.

effective regular reporting including policies, procedures and measurements of the Committee's activities to the Board;

3. Annual assessment of the Committee's performance in fulfilling its responsibilities;
4. Performing other activities related to this charter as may be requested by the Board, from time to time.

With respect to Oversight of the Governance of Risk

The Committee shall review and make recommendations to the Board regarding (i) matters referred to the Committee by the Board; (ii) recommendations by Bank management to the Board; and (iii) other matters brought to the attention of the Committee pertaining to:

5. The Bank's overall risk profile, including risk appetite, tolerance limits and risk adjusted return opportunities;
6. Management's development, implementation, and maintenance of an effective and efficient Bank-wide risk management environment in which employees at every level are aware of, discuss, and manage risk as part of their jobs;
7. The Bank's Risk Management Policy and other Board level risk related policies, to include review of exceptions/ deviations to Board level limits and the appropriateness of management's corrective actions (taken and/ or planned);
8. Completeness of risk measurement, monitoring and reporting to include metrics and assessments;
9. Coordination and consultation with other Board-level committees to include, but not be limited to, the Audit, Compensation and Human Resources, and Strategic Planning Committees with respect to the oversight of specific risk(s).

With respect to Oversight of the Management of Risk

The Committee will review and make recommendations to the Board regarding (i) matters referred to the Committee by the Board; (ii) recommendations by Bank management to the Board; and (iii) other matters brought to the attention of the Committee pertaining to:

10. Effectiveness of Risk Management system consisting of the policies, procedures, and processes as well as the monitoring and testing programs that demonstrate compliance with applicable laws, regulations and Bank policies;
11. Management's understanding and acceptance of its responsibility for identifying, assessing, and managing the Bank's risk/return profile in line with established strategic objectives, risk appetite and limit structures, including Board level limits;
12. Appropriateness of the Bank's risk/return profile in the context of current market conditions, established risk limits, operating performance, and other relevant factors such as strategic risk objectives, opportunities, and hazards;
13. Adequacy of capital retained earnings, and ability to pay dividends in future periods under a variety of stress scenarios;
14. Effectiveness of risk mitigation efforts and strategies to related Financial; Liquidity; Credit and Collateral; Technology; Operational; Strategic and Systemic Risk exposures;
15. Review and receive from Bank management recurring and periodic reports pertaining to risks overseen by the CRO and to provide summaries of such reports to the full Board;
16. Receive and review from Bank Management, reports on the information and cyber security program designed to address the risks facing the Bank;
17. Monitors the Bank's Vendor Management, Records Management, and Business Continuity

- programs such that they meet the Bank's business needs and regulatory requirements;
18. Monitor the Bank's Artificial Intelligence program including aggregate risk assessments prepared by Management; and
 19. Significant and emerging risk issues relating to the implementation of new business or operating activities that potentially involve increased risks that are complex, difficult or costly to manage. If, in the judgment of the CRO, any implementation will involve a material increase in the Bank's risk profile, the Committee will perform a review prior to management's implementation;

Oversight of CRO and the Risk Management Group

The Committee will review and make recommendations to the Board regarding (i) matters referred to the Committee by the Board; (ii) recommendations by Bank management to the Board; and (iii) other matters brought to the attention of the Committee pertaining to:

20. Independence and authority of the CRO in identifying, assessing, and controlling risks, as well as setting, assessing and monitoring Board level limits and policies;
21. Capabilities and adequacy of resources allocated to the Risk Management Group to maintain effective and appropriately organized risk oversight with mechanisms and processes tailored to the actions and complexities of the Bank's business as well as the risks faced;
22. Adequacy and frequency of risk reporting of significant and emerging risks that might adversely affect the achievement of the Bank's strategic objectives;
23. Assessment of the qualifications and performance of the CRO, including providing input during performance evaluations.

With respect to Incentive Compensation Plan ("ICP")

The Committee will (a) review and approve annual Bank-wide Risk goals including weightings, incentive levels, as well as performance results and (b) communicate any actions regarding (a) to the Compensation and Human Resources Committee.

VIII. Authority

The Committee may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall have unfettered access to any and all records, officers or employees of the Bank and shall receive from the Bank any information it requests relating to its responsibilities.

The Committee shall receive regular reports from the Risk Management Group, including the CRO.

In carrying out its duties, the Committee may rely on the assistance, advice, and recommendations of management, as well as any outside consultants as it deems necessary, and may refer specific matters to other Board-level committees.

The Committee and the CEO will confer prior to the Bank taking any employment action pertaining to the CRO, including but not limited to selection, evaluation, discipline, removal, and termination.