



Federal Home Loan Bank
NEW YORK

DE NOVO MEMBERSHIP REQUIREMENTS

An insured depository institution applying for membership with the Federal Home Loan Bank of New York (FHLBNY) whose date of regulatory charter approval is within three years prior to the date that the application is submitted will be designated as a de novo applicant. A de novo applicant will be presumed to have met the 'duly organized,' 'subject to inspection and regulation,' 'financial condition' and 'character of management' requirements for FHLBNY membership. In addition, all three of the following requirements will need to be satisfied as described in detail below.

1. Makes Long-Term Home Mortgage Loans

To satisfy the 'makes long-term home mortgage loans' requirement, a de novo applicant must file, as part of its membership application, a written justification acceptable to the FHLBNY of how its home financing credit policy and lending practices will include either the origination or purchase of long-term home mortgage loans.¹

2. 10% of Total Assets in Residential Mortgage Loans

An FDIC insured de novo applicant, whose average total assets for the last 12 quarters are less than the Community Financial Institution (CFI) asset cap², would be considered a CFI eligible institution and therefore exempt from the '10% of total assets in residential mortgage loans'³ requirement.

However, an FDIC insured de novo applicant that commenced business operations less than one year before applying for membership, and which is not a CFI eligible institution, will be subject to the '10%' requirement. If such applicant fails to meet this requirement, it can still be granted conditional approval for membership. However, the applicant must meet the '10%' requirement within one year after commencing its initial business operations for the conditional approval to become final. If the requirement is not met, the conditional membership approval will be rescinded and deemed void. (Meeting the requirement means that the conditional membership approval will become final.)

Similarly, a non-FDIC insured de novo applicant (e.g., a credit union) will always be subject to the '10%' requirement (as there are no opportunities for exemption). If such applicant commenced business operations less than one year before applying for membership, but fails to meet the requirement, the applicant can still be granted conditional approval for membership. However, the applicant must meet the "10%" requirement within one year after commencing its initial business operations for the conditional approval to become final. If the requirement is not met, the conditional membership approval will be rescinded and deemed void. (Meeting the requirement means that the conditional membership approval will become final.)

3. Home Financing Policy

If an insured depository de novo applicant subject to the Community Reinvestment Act (CRA) has not received its first performance evaluation with a rating of satisfactory or better (which would otherwise satisfy the 'housing financing policy' requirement), the applicant can still be conditionally approved for membership. To receive conditional approval, the applicant must file, as part of its application for membership, a written justification acceptable to the FHLBNY of how and why its home financing credit policy and lending practices will meet the credit needs of its community. In order for the conditional approval to become final, the FHLBNY must receive from the applicant evidence that it has a rating of "Satisfactory" or better on its first CRA performance evaluation. If the foregoing is not met, the conditional membership approval will, if not otherwise rebutted, be rescinded and deemed void. (Meeting the requirement means that the conditional membership approval will become final.)

A de novo applicant that is not subject to the CRA will be deemed in compliance with the home financing policy requirement if it files, as part of its application for membership, a written justification acceptable to the FHLBNY of how and why the applicant's home financing policy is consistent with the Bank System's housing finance mission.

Any insured depository de novo applicant that has been conditionally approved for membership as described above will be subject to all regulations applicable to members. If a requirement is not met and conditional membership approval is rescinded, the FHLBNY will liquidate any outstanding indebtedness owed by the institution and repurchase its capital stock.

¹Long-term home mortgage loans – term to maturity of 5 years or greater at the time of origination, including first lien 1-4 family residential loans, multifamily residential loans and mortgage-backed pass-through securities, which underlying assets include first lien 1-4 family or multifamily residential loans.

²The CFI asset cap as of 1/1/2026 is \$1.541 billion.

³Residential mortgage loans include first lien 1-4 family residential loans, junior lien 1-4 family residential loans, revolving 1-4 family residential loans, multifamily residential loans, mortgage-backed pass-through securities, collateralized mortgage obligations and real estate mortgage investment conduits.

DE NOVO MEMBERSHIP APPLICATION CHECKLIST

Please submit the following information:

1. The Membership Application Package. This interactive package contains all information, including required forms and agreements. You have the option to print out the forms individually in this file.
2. Charter, Organization Certificate or Certificate of Authority and Certificate(s) of Name Change.
3. Completed FHLBNY Preliminary Worksheets.
4. Latest two audited financial statements; if unavailable, submit the following, in this order of preference: 1) CPA conducted directors' examination, 2) external auditors' review of financial statements, 3) external auditors' compilation of financial statements, or 4) independent accounts' report on applying agreed-upon procedures. If a management letter is required, submit a copy, if available.
5. Response to the Safety and Soundness Examination Report, if applicable and available.
6. Community Reinvestment Act (CRA) Performance Evaluation, or if unavailable, preliminary CRA performance evaluation, if available.
7. For institutions not subject to the CRA, that have not received their first CRA evaluation or those that do not have a satisfactory CRA rating, provide a home financing policy written justification, on your institution's letterhead, detailing specifically how and why your home financing policy is consistent with the FHLBank System's housing finance mission, as well as how and why your home financing credit policy and lending practices meet the credit needs of your community.
8. Written notification to your institution's primary regulator indicating your intent to join FHLBNY.
9. A minimum of three Global Authorization Forms (GAF) are required but fill out as many forms as necessary. (The GAF designates your institution's entitlements and authorizations to execute wires, advances, securities safekeeping trades, letters of credit and access to 1Link® for accessing reports and/or processing transactions.)
10. If your institution intends to process transactions on 1Link, submit a Global Authorization Form for all individuals requesting 1Link transaction authorization.
11. If your institution's charter approval date is within three years of the date of when the FHLBNY receives your membership application, provide a Business Plan for Charter Application and a 'makes long-term home mortgage loans' written justification, on your institution's letterhead, detailing specifically how your home financing credit policy and lending practices include originating or purchasing home mortgage loans with a term to maturity of five years or greater.
12. If your institution was involved in a significant merger in the last six quarters or the next two quarters, provide combined regulatory financial reports or pro forma combined financial statements.

Please also submit the following documents to help us understand your needs:

- Latest business plan.
- Asset/Liability management and interest rate risk policy.

CONTACT US FOR MORE INFORMATION ON MEMBERSHIP REQUIREMENTS:

Member Services Desk: (212) 441-6600 | Relationship Managers: (212) 441-6700

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