

Federal Home Loan Bank Of New York

September 4, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: aa

Support: +1

Additional factors: 0

Anchor	bbb+	
Business position	Strong	1
Capital and earnings	Very Strong	2
Risk position	Very Strong	2
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment	0	

ALAC support	0
GRE support	1
Group support	0
Sovereign support	0

Issuer credit rating
AA+/Stable/A-1+

Primary Contact

Diogenes Mejia
New York
1-212-438-0145
diogenes.mejia
@spglobal.com

Secondary Contact

Catherine C Mattson
New York
1-212-438-7392
catherine.mattson
@spglobal.com

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

Government-related entity (GRE) with a very high likelihood of extraordinary government support.

Important funding and liquidity source for the U.S. banking system, thereby supporting the housing market.

Excellent loan asset quality and overcollateralized lending portfolio, which has resulted in no losses on advances.

Very strong risk-adjusted capital ratios.

Key risks

Significant concentrations by borrower and collateral type, including to the U.S. residential mortgage market.

Geographically restricted to a limited region of the U.S.

Some uncertainty regarding potential regulatory and legislative changes, though the Federal Home Loan Bank (FHLB) System is likely to retain its importance.

Our issuer credit rating on the Federal Home Loan Bank of New York (FHLB NY) considers its government-supported role in providing liquidity to member institutions, excellent asset quality, very strong capital ratios, low funding costs, and conservative risk management. We

expect FHLB NY and other FHLBs to maintain their strong financial profiles and controls, provide for members' additional liquidity needs, support the U.S. housing sector, remain solidly profitable, and continue to retain earnings.

In our view, the likelihood of FHLB NY receiving extraordinary government support, if needed, is very high. This stems from the FHLB System's importance to the U.S. housing market and the U.S. banking system. As a result, the rating on FHLB NY is one notch higher than the bank's stand-alone credit profile of 'aa'.

In our base case, we don't expect the FHLB System's mission or operations to change materially as a result of legislative or regulatory changes. During the Biden administration, the Federal Housing Finance Agency (FHFA) outlined proposed reforms to how the FHLBs support and incentivize housing and community development; extend credit to their members; manage risk, funding, and liquidity; govern themselves; and compensate senior management. It's unclear if the FHFA, under leadership appointed by the Trump administration, will pursue any such reforms. Even if it does, we would expect that the FHLB System would remain a significant source of financing, particularly to banks, and that it would maintain its important role in implementing the U.S. government's housing policy.

Outlook

S&P Global Ratings' outlook on FHLB NY is stable, in line with the stable outlooks on our ratings on the U.S. sovereign and the debt of the FHLB System. The outlook reflects our expectation that the bank will continue to provide funding and liquidity to its members, maintain very strong capital ratios, conservatively manage its loan exposures, and continue to support the U.S. housing sector.

Downside scenario

If we change our rating or outlook on the U.S. sovereign, we would likely reflect that change in our ratings on the FHLB System's debt and on FHLB NY. Although less likely, we could also lower the rating if the role of the FHLB System in housing finance were diminished, thereby reducing its importance to the government.

Upside scenario

We could raise our ratings on the FHLB System if we were to raise our sovereign rating on the U.S.

Anchor: Adjusted Higher To Reflect The FHLB's Regulated Status, Low Competitive Risk, And Favorable Funding

Our anchor for our ratings on U.S. finance companies that we rate under our financial institutions criteria, including the FHLBs, is 'bb+'. Because of the FHLBs' public policy role and regulatory status, we apply a sector-specific anchor adjustment to raise the anchor for these entities by three notches to 'bbb+'. This is to account for the FHFA's regulatory oversight; the favorable funding FHLBs enjoy through their close relationship with the U.S. government; their strong competitive position alongside other housing-related GSEs, including Fannie Mae and Freddie Mac, in the U.S. housing finance market; and the statutory priority of liens in a bank wind-down situation.

Business Position: Established And Long-Standing Market Position

FHLB NY is a government-chartered institution that benefits from its established market position, recurring business volume, and public policy role, which we believe offset some of the risks associated with its lack of business diversification.

FHLB NY is one of the largest banks in the FHLB System (by assets), with total assets of roughly \$168 billion as of June 30, 2025. It serves member institutions in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands.

The bank's lack of business diversification hurts its overall business position, in our view. However, FHLB NY has some diversification across its members, which include credit unions, commercial banks, thrifts, insurance companies, and community development institutions.

The FHLBs are wholesale lenders that help finance the U.S. banking industry. They provide secured loans, known as advances, to their members. The FHLB's advance volume and revenue are typically countercyclical because members rely more on it in times of stress as a reliable funding source.

A relatively small number of members account for a large proportion of FHLB NY's advances, which highlights its borrower concentration risks. For example, the bank's five largest member borrowers represented most of its total advances as of Dec 31, 2024, with the largest borrower being Metlife Inc. However, we think the FHLB's substantially overcollateralized advances largely mitigate any borrower concentration risk.

The FHLB System is over 90 years old and consists of 11 independently owned and operated cooperatives, each operating within its own district. The importance of the FHLB System to the U.S. banking sector was highlighted by its ability to quickly provide liquidity during the U.S. regional banking challenges in 2023, the height of the COVID-19 pandemic, and the Great Recession.

Capital And Earnings: Very Strong Risk-Weighted Capital Ratios

We believe FHLB NY benefits from its member-capitalized co-op structure and low-risk collateralized lending business. The FHFA requires FHLBs to keep capital above 4% of assets and a leverage ratio above 5%. FHLB NY had a capital-to-assets ratio of 5.08% (regulatory) and a leverage ratio of 7.62% as of June 30, 2025.

FHLB NY's S&P Global Ratings risk-adjusted capital ratio was 21.5% as of March 31, 2025, by our calculation. We expect this ratio to remain well above 15%--a level we consider very strong--over the next several years because members must scale their capital contributions to support their borrowings.

We expect net earnings to decline slightly in 2025 from 2024. Net income for the first six months of 2025 was \$308.7 million, down 23.2% from the same period the previous year.

We view the bank's earnings volatility and low net interest margin (0.51% in second-quarter 2025) somewhat negatively, but we view its very strong loan performance and capital ratios favorably. We expect advances to continue to decrease as demand continues to normalize from 2023 highs.

Risk Position: Collateralized Lending And Statutory Priority Of Liens

No FHLB has ever suffered a loss on a collateralized advance to a member. All advances to member institutions are collateralized by loans and securities with an estimated value significantly in excess of loan advances. As of June 30, 2025, FHLB NY had roughly \$104.7 billion of member advances (excluding letters of credit). Pledged collateral totaled \$439.1 billion as of June 30, 2025.

We believe collateral minimizes the potential for credit losses. FHLB NY monitors the financial condition of its members and manages collateral guidelines, advance rates, and security agreements to further mitigate credit risk.

Importantly, any security interest that an insured depository institution grants to the bank generally has priority over the claims and rights of other parties, including depositors. For nondepositories, FHLB NY, like other FHLBs, relies on strict borrowing limits and collateral guidelines to mitigate credit risk, for which an FHLB is not guaranteed priority status in liquidation.

FHLB NY takes little interest rate risk, in our view. We believe the FHLB System's funding is primarily based on debt issuance using SOFR. The bank also issues fixed-rate callable and noncallable bonds and swaps most of its fixed-rate interest exposure to floating.

Funding And Liquidity: Low Cost Collective Funding Aids Stability

FHLB NY benefits from its collective funding with the FHLB System, the "joint and several" obligation between all FHLBs, and the FHLB System's diverse and global investor base. The "joint and several" obligation stipulates that should an FHLB be unable to meet its debt obligations, the other FHLBs must step in to cover those obligations to prevent a default.

The FHLB System continues to enjoy ready access to funding markets, aided by its diverse and global investor base and its attractively priced debt--as its small spread to U.S. Treasury obligations suggests.

Members' demand for liquidity increased significantly in the first half of 2023 in response to banking sector challenges, which FHLBs quickly funded. We also view positively that the FHLBs have been able to quickly reduce their balance sheets as demand for advances has moderated since 2023 highs.

We consider FHLB NY's liquidity adequate given its on-balance-sheet liquidity and good access to funding through the FHLB System. The bank's securities portfolio (held for liquidity purposes) totaled \$29 billion as of June 30, 2025--a large proportion of which was fed funds sold. In addition, regulatory liquidity requirements mandate that the FHLBs maintain between 10 days and 30 days of liquidity, and the FHLB NY meets these requirements.

Support: A Very Important Role In U.S. Housing Policy Framework

Our ratings on FHLB NY reflect our opinion that there is a very high likelihood that the U.S. government would provide the bank with timely and sufficient extraordinary support in the event of financial distress. Therefore, our issuer credit rating on the bank reflects a one-notch uplift from the stand-alone credit profile.

We base our opinion on:

- FHLB NY's very important role in providing low-cost funding to support housing and community development in the U.S., which we believe is a key economic and political objective of the U.S. government; and
- The bank's very strong link with the U.S. government because a financially distressed or defaulted FHLB could significantly damage the government's reputation and we believe the government has the administrative capacity and mechanisms (via the FHFA) to respond to an FHLB's distress in a timely manner.

Moreover, the government has a track record of providing very strong and timely credit support to FHLBs, in our opinion, as their inclusion in a U.S. Treasury credit facility for GREs created in September 2008 suggests.

We continue to monitor legislative proposals and court rulings that could affect the FHLBs, which are regulated by the FHFA. That said, we do not anticipate any meaningful reform in the next 12-24 months.

Environmental, Social, And Governance

Social factors are a positive factor in our credit rating analysis of FHLB NY. As a GRE with a mandate to support housing and community development, FHLB NY's public policy role and regulated status support its credit quality. The bank's cooperative structure allows it to provide immediate and low-cost funding to its member institutions (especially during periods of market stress), with less focus on short-term profitability. Environmental factors are a neutral considerations because the bank's lending does not focus on carbon-intensive industries, such as the oil and gas, power generation, or transportation industries. We also consider governance factors as neutral because we think governance and disclosure practices are adequate compared with peer institutions.

Key Statistics

Federal Home Loan Bank of New York Key Figures

Mil. \$	2025*	2024	2023	2022	2021
Adjusted assets	167,779	160,300	158,333	157,391	105,358
Customer loans (gross)	107,183	108,187	111,073	117,402	73,858
Adjusted common equity	8,518	8,512	8,385	8,484	6,395
Operating revenues	441	1,008	1,017	651	558
Noninterest expenses	126	279	236	199	204
Core earnings	309	738	750	415	265

Federal Home Loan Bank Of New York

Federal Home Loan Bank of New York Key Figures

*2025 data is for the 6 months to end-June.

Federal Home Loan Bank of New York Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	--	--	--	--	--
S&P Global Ratings' RAC ratio before diversification	N/A	22.2	N/A	N/A	N/A
S&P Global Ratings' RAC ratio after diversification	N/A	19.6	N/A	N/A	N/A
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Double leverage	N.M.	N.M.	N.M.	N.M.	N.M.
Net interest income/operating revenues	97.5	97.9	97.9	97.3	96.9
Fee income/operating revenues	2.5	2.1	2.1	2.7	3.1
Market-sensitive income/operating revenues	0.0	0.0	0.0	0.0	0.0
Cost to income ratio	28.7	27.7	23.2	30.6	36.5
Preprovision operating income/average assets	0.4	0.5	0.5	0.3	0.3
Core earnings/average managed assets	0.4	0.5	0.5	0.3	0.2

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Federal Home Loan Bank of New York Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	(1.9)	(2.6)	(5.4)	59.0	(22.2)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	12.9	N/A	N/A	N/A
Total managed assets/adjusted common equity (x)	19.7	18.8	18.9	18.6	16.5
New loan loss provisions/average customer loans	0.0	0.0	0.0	0.0	(0.0)
Net charge-offs/average customer loans	N.M.	N.M.	N.M.	0.0	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.0	0.0	0.0	0.0
Loan loss reserves/gross nonperforming assets	31.1	29.4	30.1	10.0	8.4

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Federal Home Loan Bank of New York Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	2.3	1.6	2.34	0.7	1.3
Customer loans (net)/customer deposits	2,991.6	4,453.1	3,190.0	11,432.0	5,589.9
Long-term funding ratio	27.7	32.9	32.6	34.5	41.4
Stable funding ratio	40.8	46.2	44.4	44.7	57.0
Short-term wholesale funding/funding base	76.1	70.8	71.1	69.2	62.4
Regulatory net stable funding ratio	--	--	--	--	--
Broad liquid assets/short-term wholesale funding (x)	0.5	0.5	0.4	0.4	0.5
Broad liquid assets/total assets	33.1	29.9	27.6	23.8	28.5
Broad liquid assets/customer deposits	1,548.4	1,970.9	1,254.7	3,641.1	2,272.0
Net broad liquid assets/short-term customer deposits	(1,812.2)	(2,429.3)	(1,788.4)	(6,363.0)	(2,379.1)
Regulatory liquidity coverage ratio (LCR) (x)	--	--	--	--	--
Short-term wholesale funding/total wholesale funding	77.9	72.0	72.8	69.7	63.3
Narrow liquid assets/3-month wholesale funding (x)	N/A	N/A	N/A	N/A	N/A

Federal Home Loan Bank of New York Funding And Liquidity

*2025 data is for the 6 months to end-June.

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	AA+/Stable/A-1+
SACP	aa
Anchor	bbb+
Business position	Strong (1)
Capital and earnings	Very Strong (2)
Risk position	Very Strong (2)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	1
ALAC support	0
GRE support	1
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 24 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

Related Research

- [Federal Home Loan Banks](#), Aug. 7, 2025
- [Federal Home Loan Banks Should Maintain Key Financing Role Despite Potential Reforms](#), Dec. 6, 2023

Federal Home Loan Bank Of New York

Ratings Detail (as of September 04, 2025)*

Federal Home Loan Bank of New York

Issuer Credit Rating	AA+/Stable/A-1+
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Issuer Credit Ratings History

10-Jun-2013	AA+/Stable/A-1+
08-Aug-2011	AA+/Negative/A-1+
15-Jul-2011	AAA/Watch Neg/A-1+

Sovereign Rating

United States	AA+/Stable/A-1+
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Related Entities

Federal Home Loan Bank of Atlanta

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Boston

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Chicago

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Cincinnati

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Dallas

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Des Moines

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Indianapolis

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Pittsburgh

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of San Francisco

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Bank of Topeka

Issuer Credit Rating	AA+/Stable/A-1+
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Federal Home Loan Banks

Senior Unsecured	AA+
Senior Unsecured	AA+/A-1+
Short-Term Debt	A-1+
Short-Term Debt	AA+/Stable

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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