Federal Home Loan Bank
NEW YORK

2027 Targeted Community Lending Plan

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A Message from the President

Randolph C. Snook
President and Chief Executive Officer

The Federal Home Loan Bank of New York ("FHLBNY") is committed to serving as a reliable source of funding for our members and as a consistent and trusted partner for initiatives that advance housing and community development throughout our District. Our 2027 Targeted Community Lending Plan ("TCLP") is the result of extensive market research, member outreach, stakeholder engagement and consultation with our Affordable Housing Advisory Council ("AHAC"). Together, these efforts identified a range of housing and community development needs affecting communities across New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands — the region we proudly serve every day.

Our ability to execute on our foundational liquidity mission provides members with reliable access to funding, enhancing their ability to support housing finance and community development lending. Additionally, the FHLBNY's housing finance programs continue to provide critical resources that support affordable housing, homeownership opportunities and community and economic development throughout our District. While these efforts have helped address important needs, significant challenges remain. Housing affordability pressures, rising development and insurance costs, housing instability and barriers to homeownership continue to affect households throughout our region and across the nation.

The 2027 TCLP establishes a framework for addressing these needs through continued engagement, targeted investments, measurable goals and collaboration with our members and community stakeholders. This work would not be possible without the valuable contributions of our AHAC, the Housing Committee of the Board of Directors, our members, our community partners and housing practitioners. Their insights have helped shape this Plan and the goals it sets forth. We look forward to continuing this work together to strengthen communities throughout the District.

"The FHLBNY's housing finance programs continue to provide critical resources that support affordable housing, homeownership opportunities and community and economic development throughout our District."

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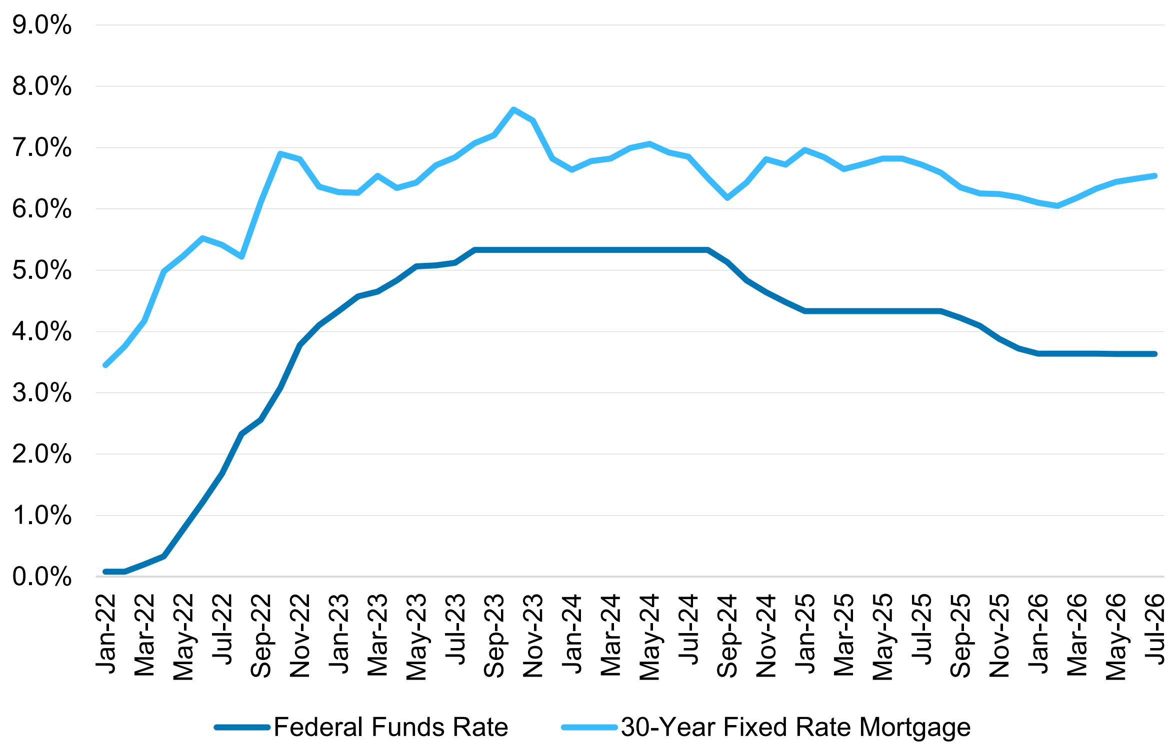
ECONOMIC & COMMUNITY DEVELOPMENT

Member Credit & Liquidity

Key Takeaway: Elevated interest rates and ongoing market uncertainty sustain member reliance on FHLBNY liquidity, enabling them to finance affordable housing, mortgage originations, and community development throughout the District.

Federal Funds Rate & 30-Year Fixed Mortgage Rate (2022 – 2026)



Interest rates rose sharply beginning in 2022 and have remained elevated, increasing financing costs for borrowers and institutions.

Source: Federal Reserve Bank of St. Louis (FRED)

In a credit environment defined by elevated borrowing costs, consistent liquidity is a requirement for members. To finance affordable housing, and deploy community development capital, members depend on uninterrupted access to funding. This operational reliance reinforces the FHLBNY's core liquidity mission as the primary buffer against regional market volatility, ensuring that local financial institutions can continue meeting District credit needs.

- **Cost of Funds Pressure:** Elevated interest rates continue to increase borrowing costs, reinforcing the importance of reliable funding sources for members maintaining housing and community development pipelines.
- **Operational Priority:** Recent feedback from members confirms that ease of borrowing and reliable liquidity access are viewed as operational necessities, alongside FHLBNY's housing finance programs.
- **Active Liquidity Deployment:** Member utilization data demonstrates reliance on FHLBNY funding tools to pursue lending and community investment strategies throughout the District.

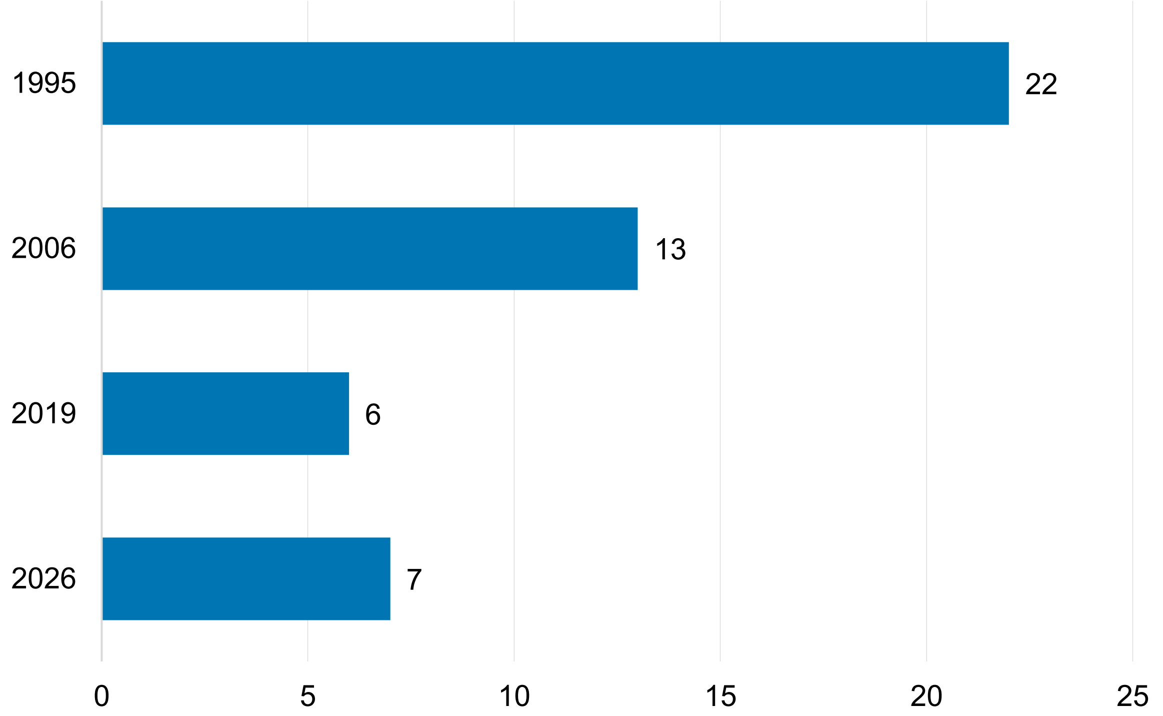
$92.5B	$499M	$214M
Advances Outstanding	Mortgage Loans Funded	CLP Advances

Reflects data as of 12/31/25

Access to Credit & Opportunity: Capital Constraints

Key Takeaway: Constrained access to affordable capital, banking consolidation, and lending disparities restrict economic opportunity across the District.

Active Commercial Banks in Puerto Rico (1995 - 2020)



Puerto Rico's commercial banking sector has sharply consolidated, declining from 22 active commercial banks in 1995 to 7 by 2026, with retail banking now heavily dominated by just 3 local banks (Banco Popular, FirstBank, Oriental). This consolidation increases the importance of cooperativas and community-based lenders.

Sources: FDIC and V2A Consulting

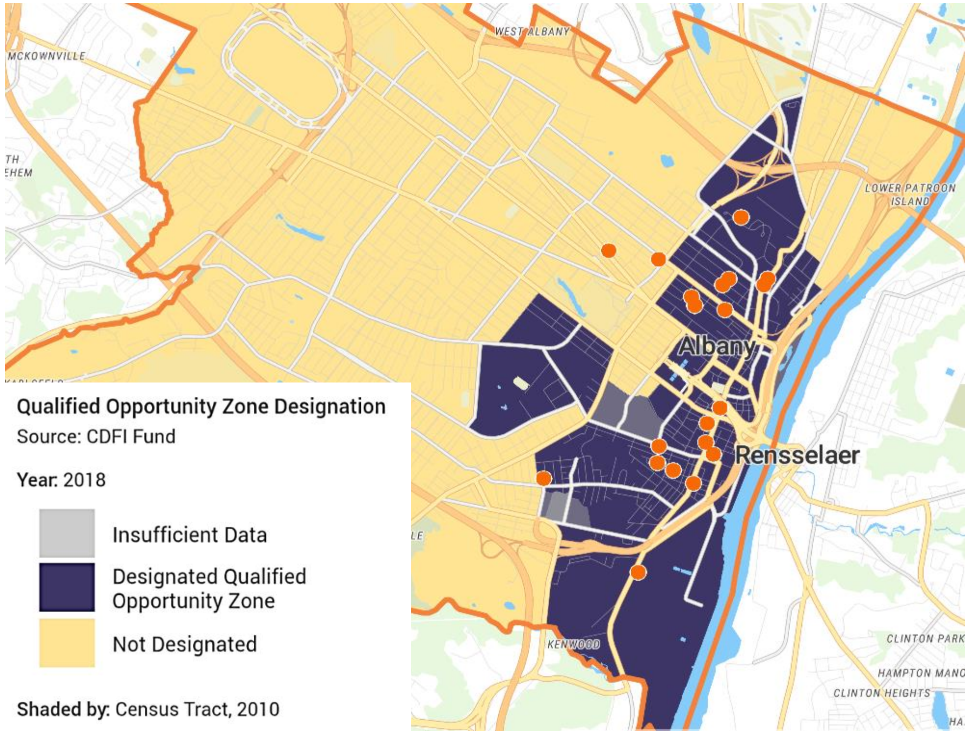
Local entrepreneurs and residents consistently face tight credit conditions, physical branch closures, and working capital shortages. Systemic lending gaps curtail minority-owned enterprises, while elevated interest rates stall essential community infrastructure across the District.

- **Declining Banking & Territorial Gaps:** New Jersey and New York face heavy branch closures in LMI tracts, while Puerto Rico and the U.S. Virgin Islands have experienced severe retail banking consolidation. *(Source: NCRC Bank Branch Closures)*
- **Lending & Ownership Disparities:** Low credit risk Black- and Latino-owned small businesses are half as likely as White peers to receive full financing. In New York City, Black residents represent 22% of the population but own just 3.5% of employer businesses due to early-stage capital gaps. *(Sources: NY Fed Report on Firms of Color & Center for an Urban Future)*
- **Community Infrastructure Strain:** Elevated interest rates stall lower margin projects like healthcare clinics and childcare hubs, delaying vital neighborhood services. *(Source: CBO Financial Healthcare Financing)*

Access to Credit & Opportunity: Place-Based Investment

Key Takeaway: Expanding economic opportunity requires connecting underserved communities with capital through mission-driven lenders, place-based investment strategies, and community development partnerships.

Designated Opportunity Zone & AHP Project Sites *(Albany, New York)*



The map shows overlap between AHP-funded projects and a designated Opportunity Zone, highlighting opportunities to align affordable housing investments with place-based economic development strategies. *Source: CDFI Fund.*

When traditional financing is limited, mission-driven lenders and place-based investment strategies can help direct capital to underserved communities. By leveraging local institutions, targeted investments, and community-based partnerships, FHLBNY helps support economic development, neighborhood revitalization, and access to financing across the District.

- **Mission-Driven Intermediaries:** CDFIs and cooperativas help expand access to credit in underserved communities and rural areas and provide locally focused financing where traditional banking resources may be limited. FHLBNY has also expanded membership to include cooperativas.

RELEVANT FHLBNY PROGRAMS	
Affordable Housing Program (AHP)	Provides grant funding for affordable housing development and preservation projects serving low- to moderate-income households.
Community Lending Program (CLP)	Provides discounted advances that support affordable housing, economic development, and community investment activities.
Mortgage Asset Program (MAP®)	Supports homeownership and mortgage market liquidity through the purchase of fixed-rate mortgages from members.
Small Business Recovery Grant (SBRG)	Provides grant funding that supports small business resiliency, recovery, and local economic development.
0% Development Advance (ZDA)	Provides interest-rate subsidies that help lower financing costs for eligible community and economic development projects.

Access to Credit & Opportunity: Community Infrastructure

Key Takeaway: Financing gaps can delay investments in essential community assets, limiting economic opportunity, resilience, and long-term economic growth throughout the District.

Beyond housing, communities rely on access to capital to support healthcare facilities, local businesses, and disaster recovery efforts. Financing gaps can delay or prevent investments that support economic opportunity, workforce participation, and long-term community resilience. Mission-driven financing and targeted public investments can help advance projects that are often underserved by traditional lending markets.

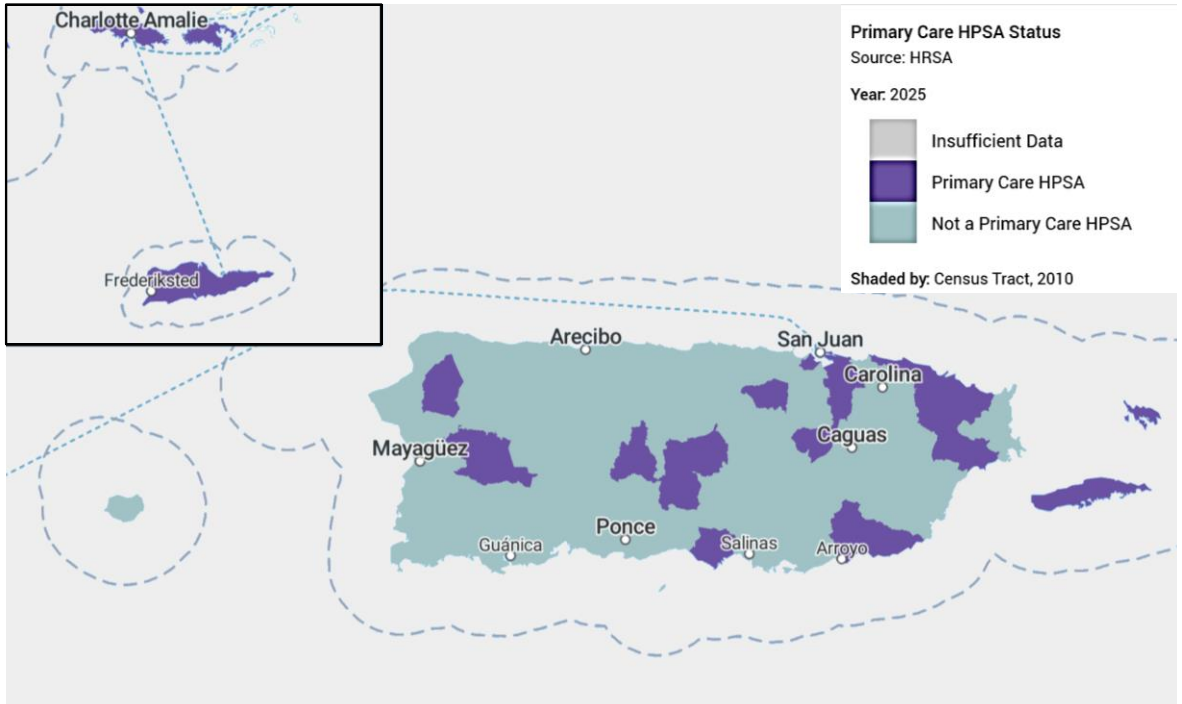
- **Healthcare Infrastructure:** The Puerto Rico Department of Housing established a $1 billion CDBG-MIT set-aside to fund emergency microgrids and resilient facilities for medically underserved communities. *(Source: Puerto Rico Department of Housing, CDBG-MIT Program)*

- **Energy & Grid Resilience:** Liquidity and matching fund requirements continue to slow deployment of more than $1 billion in FEMA energy infrastructure funding. *(Source: USVI Office of Disaster Recovery)*

- **Small Business Financing:** Early-stage firms frequently struggle to obtain sufficient capital. Recent data shows that New Jersey and New York reported small business loan denial rates of 25% and 29%, respectively, among the highest in the nation. *(Source: LendingTree)*

- **Workforce Development Facilities:** New York currently faces roughly 456,000 unfilled job openings, heavily impacting the construction and trade sectors. Expanding capital access for physical training hubs directly addresses this regional shortfall. *(Source: U.S. Bureau of Labor Statistics / EB-3 Work NY Labor Report)*

Primary Care Health Professional Shortage Areas (2025)



Health Professional Shortage Areas (HPSAs) are locations with insufficient primary care providers. Portions of Puerto Rico and all of the U.S. Virgin Islands are designated HPSAs, highlighting the importance of investments in healthcare facilities and resilient community infrastructure.

AFFORDABLE HOUSING NEEDS

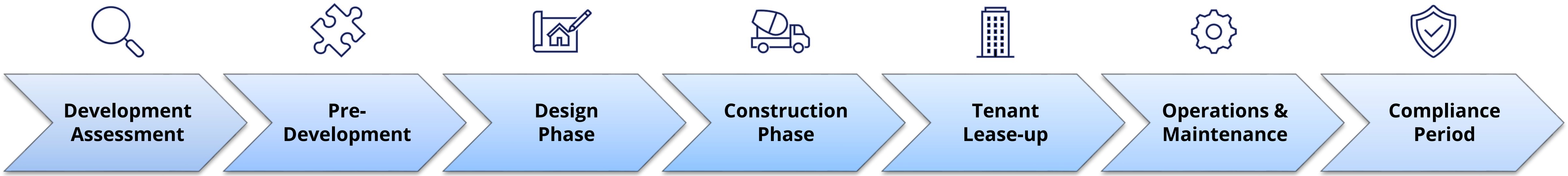
Affordable Housing Development: Overview

Affordable housing development requires coordinated action across public agencies, financial institutions, CDFIs, nonprofit organizations, developers, contractors, property managers, and community partners. Each stakeholder plays a distinct role along the development lifecycle, from project planning and financing through construction, operations, and long-term compliance. Effective coordination across these stakeholders can help address financing, cost, capacity, and regulatory challenges that influence project feasibility, housing production, and long-term sustainability.

Development outcomes are shaped not only by the availability of capital, but also by construction costs, operating expenses, project timing, and stakeholder capacity at each stage of the lifecycle.

KEY STAKEHOLDERS

- Public agencies
- CDFIs
- Developers
- Property managers
- Banks & credit unions
- Nonprofit housing organizations
- Contractors & builders
- Community partners



EARLY STAGE

- AHP Positioning
- Pre-development support
- Pipeline development

EXECUTION STAGE

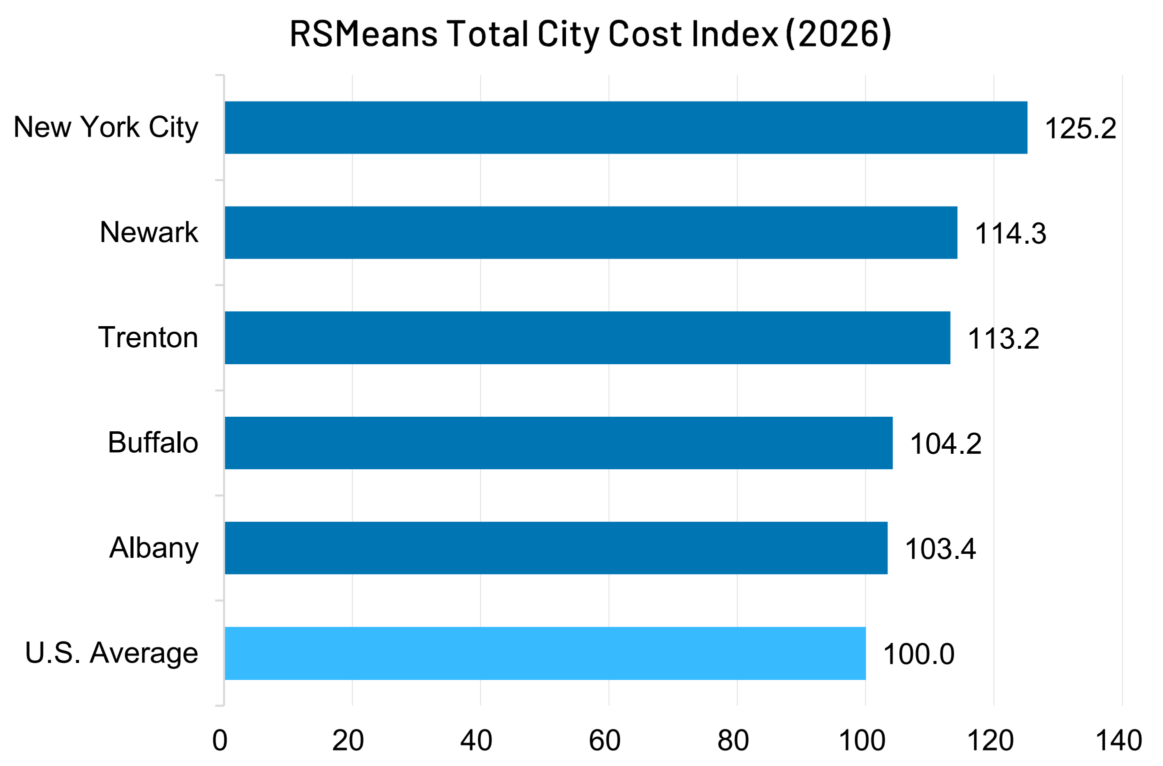
- AMA / credit products
- Construction & permanent financing
- Structured capital coordination

LONG-TERM IMPACT

- Preservation financing
- Recapitalization support
- Compliance & monitoring

Affordable Housing Development: Development Costs

Key Takeaway: Escalating costs and pre-development funding gaps are actively limiting affordable housing development and severely constraining new supply across the District.



The RSMeans City Cost Index measures relative material and installation costs, with the U.S. average set at 100. Construction costs in the selected New York and New Jersey markets exceed the national average, with New York City showing the highest index.

Source: RSMeans 3yr-Base

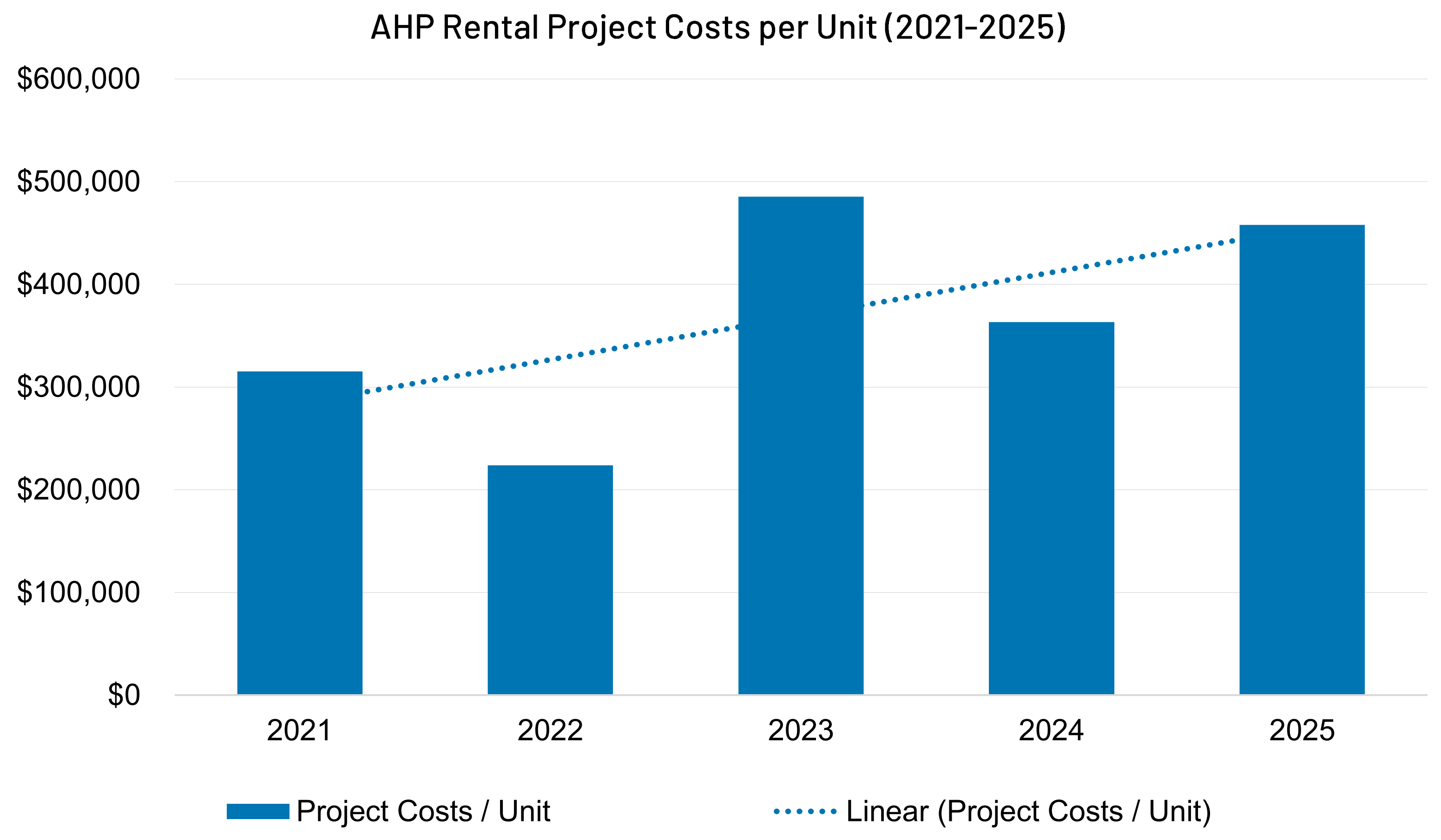
The transition from concept to construction is fraught with financial and operational hurdles. Early-stage feasibility and pre-development activities remain difficult to finance, heavily burdening smaller and emerging developers who lack sufficient seed funding. Once projects advance into the execution phase, prolonged approvals and rising costs increase project risk.

- **Pre-Development Friction:** Nonprofits are foundational to the ecosystem but face technical capacity constraints and funding instability during pipeline formation.
- **Production Bottlenecks:** Permitting delays and capital coordination remain key execution concerns in Puerto Rico. These barriers heavily complicate efforts to meet HUD's estimated demand for 4,500 new rental units during the 2025–2028 forecast period. *(Source: HUD Comprehensive Housing Market Analysis for Puerto Rico)*
- **Territorial Premiums:** The U.S. Virgin Islands is severely constrained by hard construction costs ranging from $275 to $400 per square foot. This is compounded by slow capital deployment, with only 24% of the $483.1 million CDBG-DR housing budget expended as of late 2025. By July 2026, HUD suspended funding for the Virgin Islands Housing Finance Authority (VIHFA). *(Source: St. Thomas Source / HUD)*

COST-EFFICIENT DEVELOPMENT STRATEGIES	
• Adaptive Reuse & Conversion • Manufactured Housing	• Donated Property • Pre-Development Support

Affordable Housing Development: AHP Portfolio

<u>Key Takeaway</u>: Rising development costs throughout the District are translating into higher per-unit costs for affordable housing projects, placing continued pressure on project feasibility and subsidy resources.



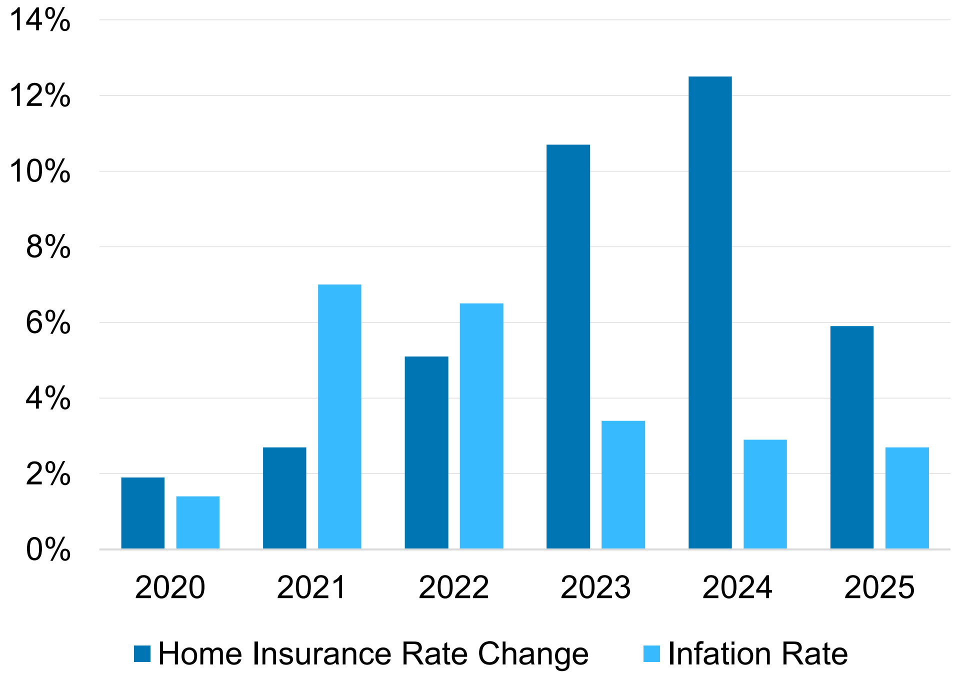
Average development costs for AHP-funded rental projects increased from approximately $315,000 per unit in 2021 to nearly $460,000 per unit in 2025. While annual costs fluctuate based on the characteristics and location of funded projects, the overall trend reflects the elevated development cost environment facing affordable housing developers across the District. Higher construction, labor, and related development costs increase the funding required to produce each affordable unit and can constrain the number of homes that can be supported with available subsidy resources.

Affordable Housing Development: Long-Term Viability

Key Takeaway: Rising operating and recapitalization costs are creating long-term preservation challenges that threaten the viability of existing affordable housing.

The development lifecycle does not end at construction. FHLBNY's Affordable Housing Advisory Council identified the Compliance Period as an area of vulnerability, noting that properties face rising operating costs, immense capital needs, and limited refinancing options. Operating expenses, driven heavily by rising insurance costs, are actively outpacing budgets and subsidies, leading directly to deferred maintenance and long-term preservation risks.

Home Insurance Rate Changes vs. Inflation (2020-2025)



Source: Lending Tree

- **Rising Insurance Costs:** Insurance costs have risen faster than inflation since 2021, increasing operating costs for affordable housing providers. Rising natural-disaster losses, along with higher labor and building material costs, have contributed to this trend. *(Source: Lending Tree)*
- **Territorial Impact:** Extreme insurance costs jeopardize housing retention in the U.S. Virgin Islands, where monthly insurance escrow payments frequently exceed principal and interest payments combined. *(Source: VIHFA 2025 Testimony)*

INTERVENTION OPPORTUNITIES

AHP Subsidy Calibration: Align scoring rules to better recognize cost efficiency, project scale, and gap-filling needs.

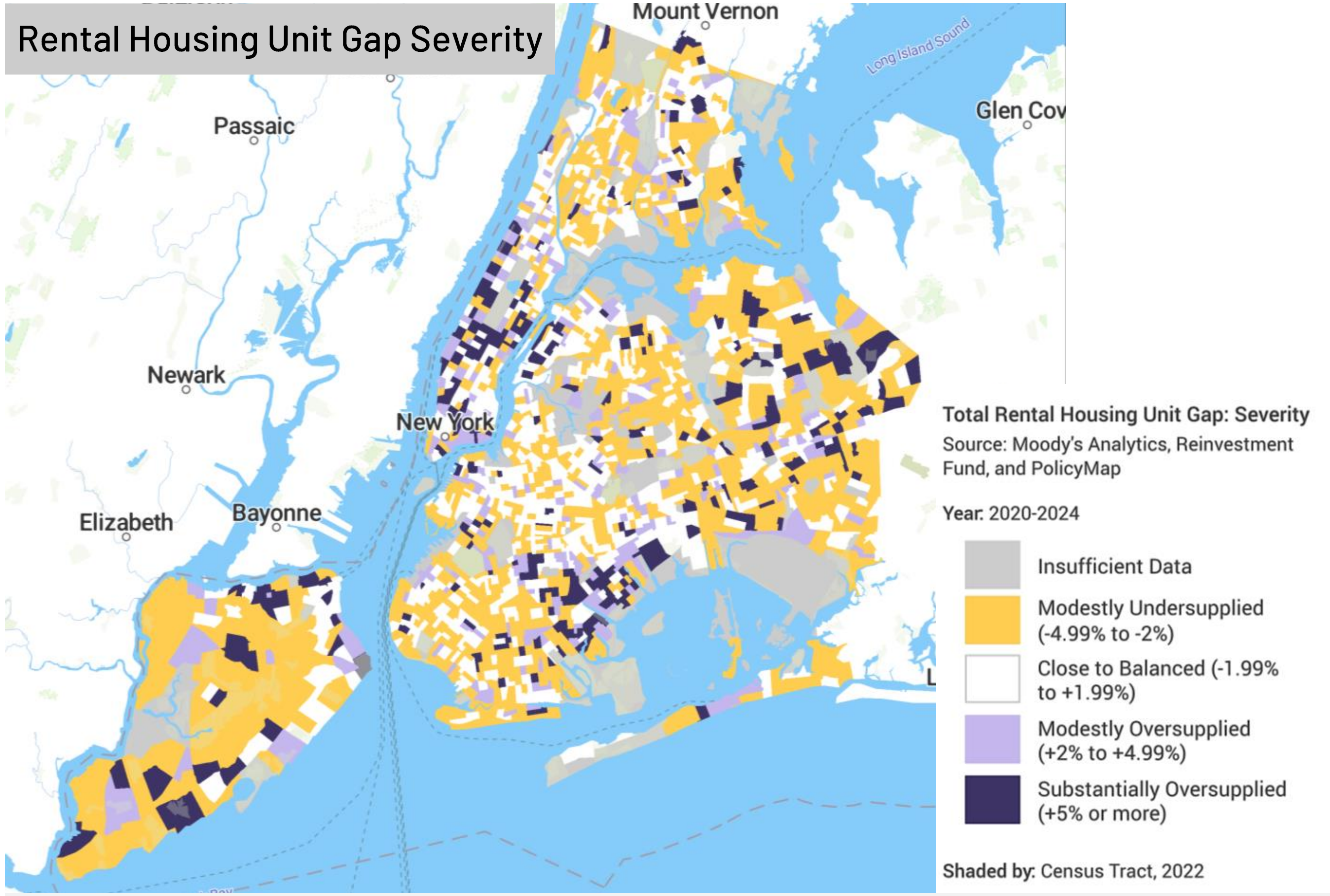
Preservation & Recapitalization: Deploy targeted capital tools to extend the useful life of aging assets and reduce pressure on the new-development pipeline.

Monitoring Flexibility: Streamline and align compliance requirements to reduce administrative burdens on smaller developers.

Rental Housing: Supply Shortages

<u>Key Takeaway</u>: Rental pressures are driven by limited affordable supply and tight market conditions. Comparable supply metrics show New Jersey, New York, and Puerto Rico all face shortages for extremely low-income renters, while NYC vacancy remains historically low.

Rental Housing Unit Gap Severity



The map highlights widespread rental housing shortages across New York City, with undersupplied tracts appearing throughout the market and reinforcing the scale of unmet rental demand.

Rental pressures across the District are driven by a severe shortage of affordable housing and historically tight market conditions. While affordability challenges extend across income levels, extremely low-income (ELI) households face the greatest burden. Across New Jersey, New York, and Puerto Rico, the supply of habitable, affordable rental housing falls far short of demand, leaving many ELI households severely cost-burdened and vulnerable to displacement. In the U.S. Virgin Islands, limited and inconsistent housing data obscures the full extent of rental market conditions and housing needs. Overall, increasing rental supply through both production and preservation remains critical to addressing these shortages and supporting long-term housing stability.

Affordable & Available Homes per 100 Extremely Low-Income Renters

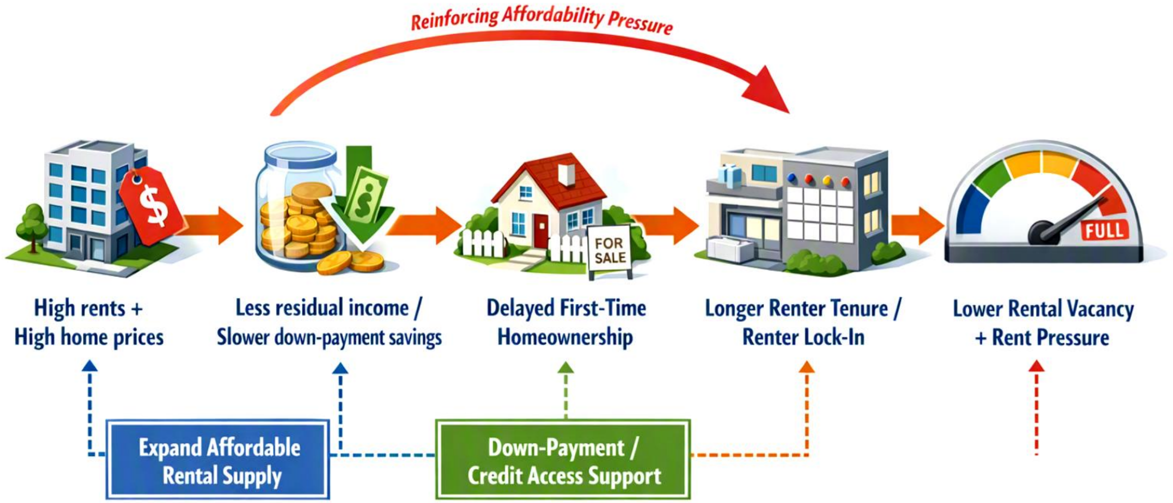
New Jersey	New York	Puerto Rico
34	35	66

New Jersey and New York show particularly severe shortages, while one-third of homes in Puerto Rico are not considered affordable for ELI renters. *Source: NLIHC Gap / Puerto Rico Gap Reports*

Rental Housing: Homeownership Barriers & Rental Demand

Key Takeaway: Barriers to homeownership can keep households renting longer, adding demand pressure to rental markets already constrained by insufficient affordable supply. This helps explain why ownership challenges can reinforce rental market tightness.

Barriers to Homeownership Reinforce Rental Demand



- High housing costs can delay homeownership, and in turn extend renter tenure and increase demand for rental housing.
- Longer renter tenure can contribute to lower vacancy rates and sustained affordability pressures.
- Ownership barriers may reinforce rental market tightness when affordable supply is already constrained.

The rental and owner-occupied markets do not operate in isolation. Record-high home prices keep financially mobile households in the rental market for longer periods. This extended renter tenure creates a "lock-in" effect that suppresses rental vacancy rates and pushes rents higher, thereby intensifying the affordability crisis for lower-income households. Interventions that reduce barriers to first-time homeownership act as a dual mechanism: they create wealth-building opportunities while simultaneously freeing up critical rental inventory.

- **The Downpayment Barrier:** According to the Harvard Joint Center for Housing Studies only 4% of U.S. renters possess enough liquid cash to cover a standard 20% down payment.
  (Source: Harvard JCHS: The State of the Nation's Housing 2025)
- **Extended Savings Timelines:** In high-cost markets like New York City, it takes the median household roughly 20 years to save for a 20% down payment on a median-priced home.
  (Source: StreetEasy: Two Decades to Save for a Down Payment)
- **The Renter Lock-In Effect:** Between late 2020 and 2024, the median sales price of existing homes rose almost 26%, pushing standard mortgage payments increasingly out of reach for renters and causing downstream rent inflation. *(Source: Center for American Progress: Reducing Housing Burdens)*

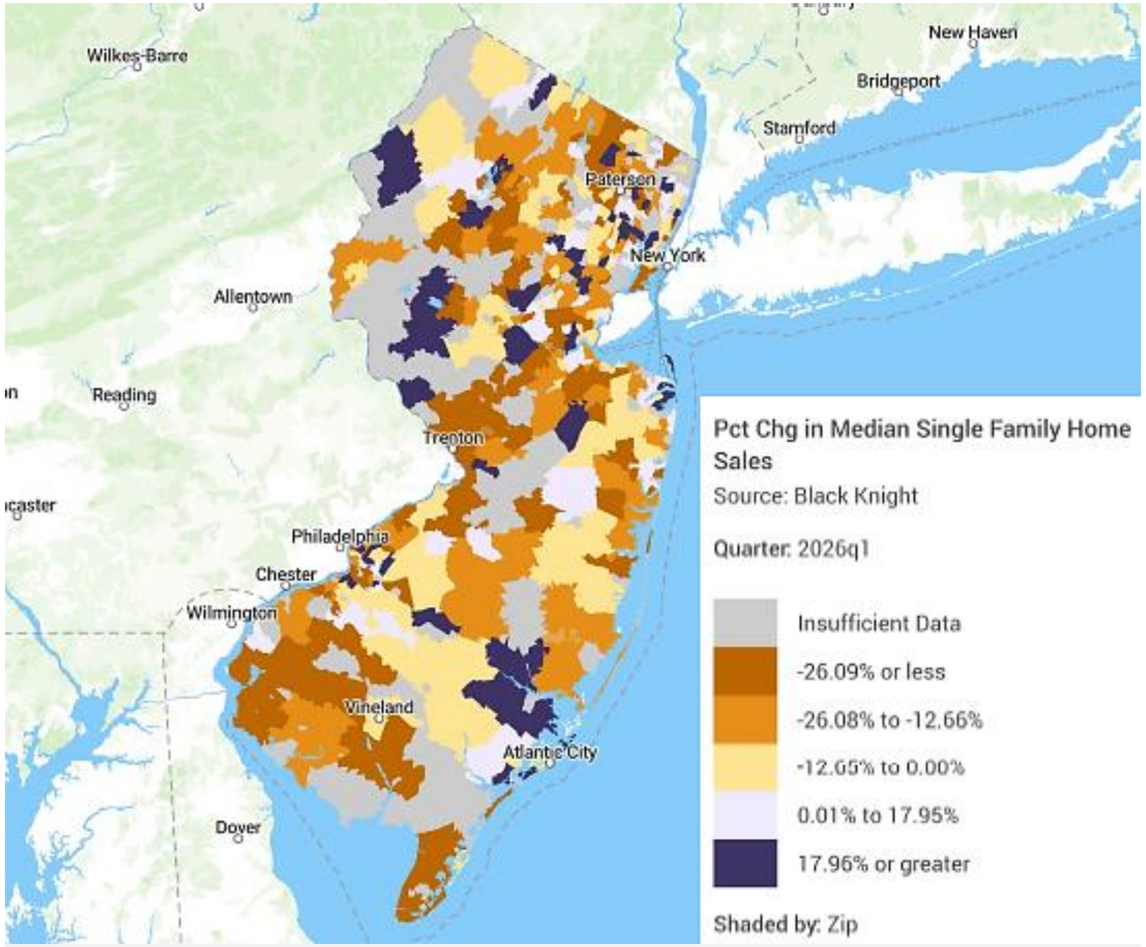
Owner-Occupied Housing: Market Constraints

Key Takeaway: Despite marginal recent inventory gains, supply remains deeply depressed relative to historic norms, driving record home prices and severe affordability constraints across the District

The path to homeownership across the District remains restrictive due to affordability pressures. While buyer demand persists, constrained housing inventory, still recovering from historic lows, continues to drive home prices to record highs across the District. The market is currently defined by a severe "squeeze" dynamic: affordability constraints and limited active supply are suppressing overall transaction volume, yet prices continue to escalate.

- **New York Pricing:** Statewide median prices hit a record $475,000 in June 2026 (+8.0% YoY). Despite 15 months of gradual inventory growth, strong demand, reflected in a 5.6% jump in pending sales, continues to push prices up even as closed sales decline. *(Source: NYSAR June 2026 Housing Report)*
- **New Jersey Market Squeeze:** Single-family median prices rose 4.0% YoY to $650,000 in June 2026, despite 2.3% in closed sales across the same period. Market demand persists, with homes selling at an average of 103.5% of the listing price. *(Source: NJ Realtors June 2026 Market Update)*
- **Puerto Rico Contraction:** Total sales volume fell 24.4% between 2021 and 2025, while average prices surged 29.8%, climbing from $183,646 to $238,417. *(Source: OCIF - PR Housing Activity)*
- **U.S. Virgin Islands Pricing:** Single-family median prices reached $737,000 on St. Thomas (Q1 2026) and $995,000 on St. Croix (June 2026).* *(Sources: Sea Glass Properties & Coldwell Banker)*

**Note: Private MLS data reflects transactions skewed toward the higher-end luxury market.*

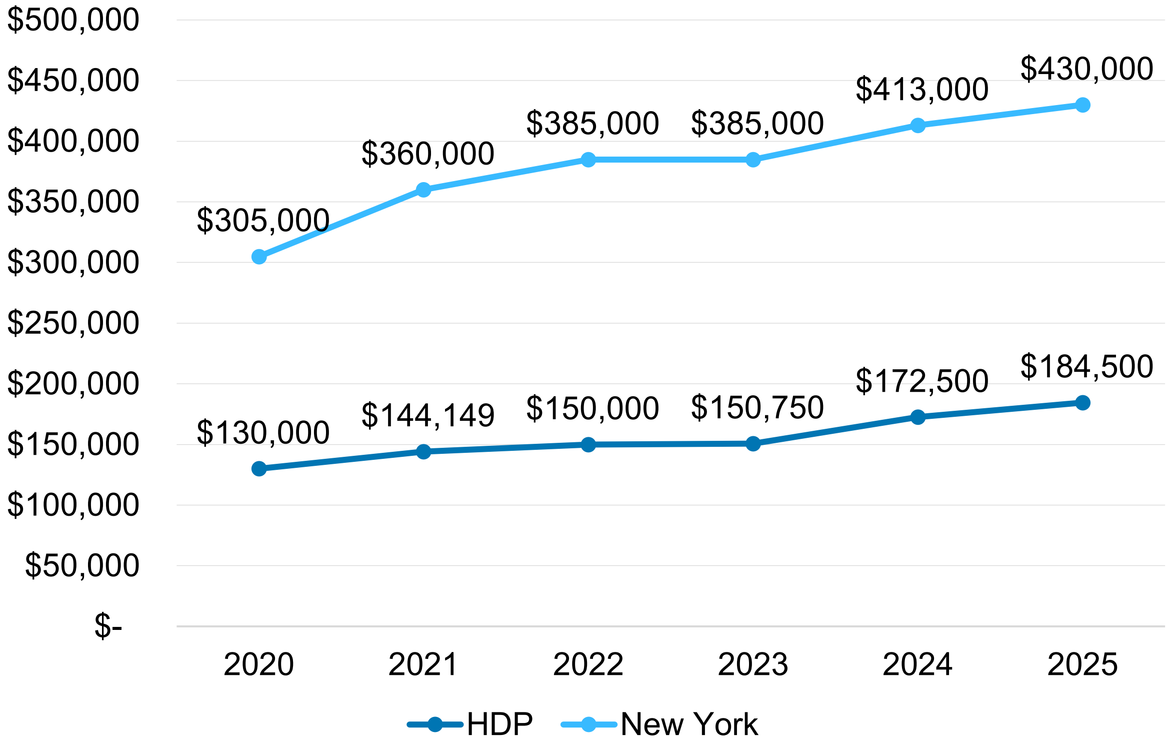


The slowdown in closed sales statewide masks extreme variation across New Jersey. While a most localities experienced steep drops, a handful of areas saw an uptick in sales.

Owner-Occupied Housing: First-Time Homebuyers

<u>Key Takeaway</u>: Escalating home purchase costs are delaying first-time buyers and reducing affordability, reinforcing the need for downpayment assistance and other tools that reduce barriers to homeownership.

Median Home Sale Prices: HDP-Assisted Sales & New York, 2020–2025



From 2020 to 2025, median prices for HDP-assisted purchases rose approximately 42%, closely mirroring the increase in New York's broader housing market.

Source: FHLBNY HDP Data / NYSAR

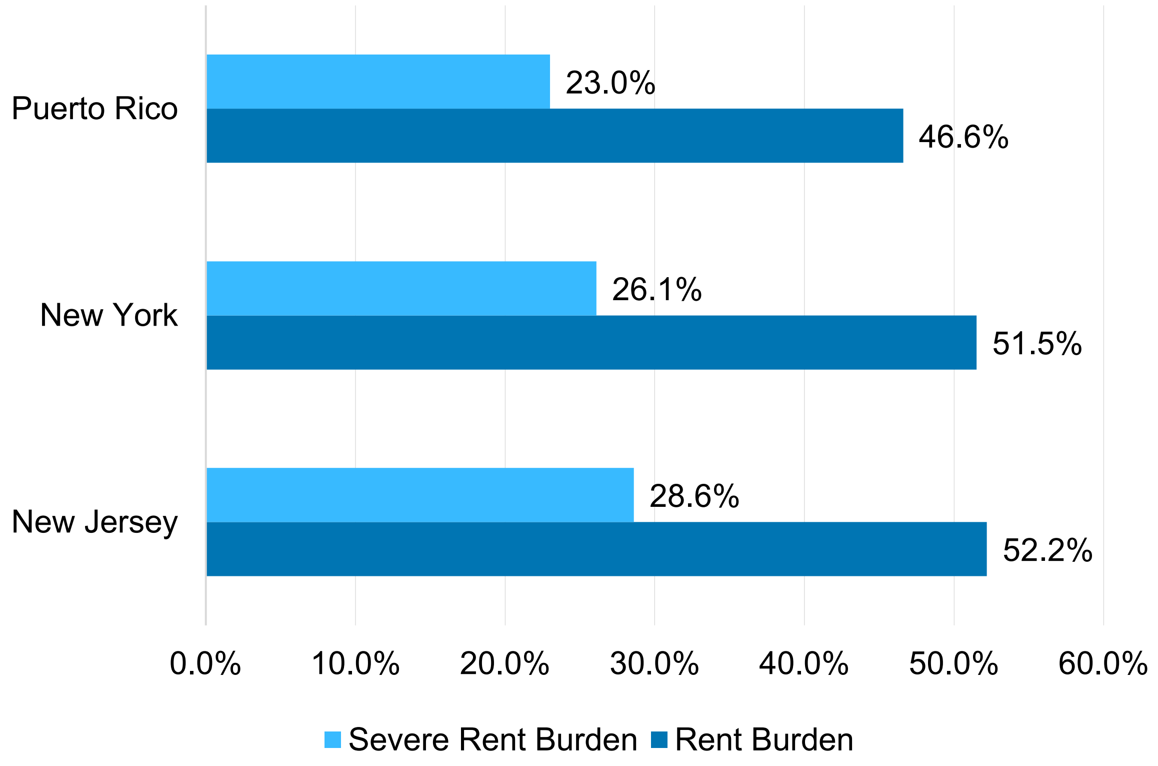
As housing inventory remains tight and prices escalate, first-time homebuyers face unprecedented financial barriers to entry. This demographic is being priced out or severely delayed in their transition to homeownership. In response to these escalating costs, FHLBNY has, in recent years, enhanced its homebuyer assistance offerings, including increasing grant assistance available through the Homebuyer Dream Program® (HDP®) and expanding support through programs such as Mortgage Asset Program (MAP®) HomeAssist, helping households overcome affordability barriers and move toward sustainable homeownership.

- **Difficulty for First-Time Buyers:** The share of first-time homebuyers dropped to a historic low of 21% in 2025, down from a historical norm of roughly 40%. *(Source: National Association of Realtors)*
- **Delayed Homeownership:** The average age of a first-time buyer has climbed to an all-time high of 40 years old. *(Source: National Association of Realtors)*
- **Territorial Disparities:** The homeownership rate for Puerto Rican households under 35 years of age is 27%, significantly behind the national average of 37% for the same age group. *(Source: National Association of Home Builders)*

Housing Stability: Rent Burden & Disaster Resilience

Key Takeaway: Housing stability, the ability to stay in a chosen housing unit without interruption, is a combined affordability, preservation, and recovery issue: rent burdens limit household resilience, while Puerto Rico and the U.S. Virgin Islands face additional risks tied to resiliency and ongoing disaster recovery.

Share of Households Experiencing Rent Burden (2024)



”Rent burdened" is defined as spending more than 30% of income on housing and "severely rent burdened" as spending more than 50%. *(Source: Federal Reserve)*

Source: U.S. Census Bureau 2024 American Community Survey

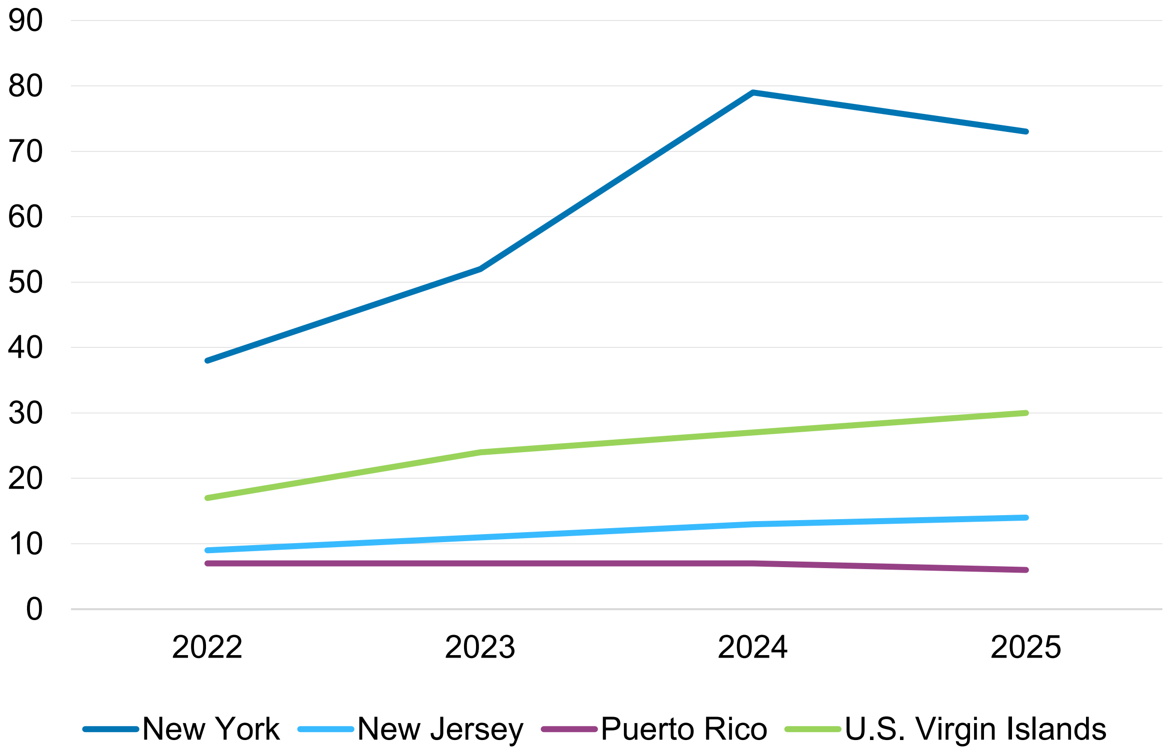
Housing stability requires household resilience against both financial and environmental shocks. Across New Jersey and New York, severe rent burden leaves over a quarter of all renter households highly vulnerable to displacement. In Puerto Rico and the U.S. Virgin Islands, stability is compromised by the lingering effects of natural disasters on homes and infrastructure.

- **The Upstream Eviction Pressure:** As of 2024, more than half of all renter households in New Jersey and New York were rent-burdened, and over 25% were severely rent-burdened. Severe rent burden is a leading indicator of eventual displacement risk. *(Source: America's Health Rankings analysis of U.S. Census Bureau ACS data)*
- **Natural Disaster Vulnerability:** In Puerto Rico, ongoing recovery challenges have contributed to the existence of over 257,000 vacant and deteriorated housing units. *(Source: PRDOH Vacant Properties Assessment Initiative)*
- **Recovery Bottlenecks:** In the U.S. Virgin Islands, rehabilitation and disaster recovery efforts have been slow. In July 2026, HUD suspended funding for VIHFA. At the time of suspension VIHFA had spent less than one-third of its $1.9 billion CDBG-DR grant after hurricanes Irma and Maria. *(Source: National Housing & Rehabilitation Association)*

Housing Stability: Homelessness Trends

<u>Key Takeaway</u>: Homelessness is not one pattern across the District: scale, shelter status, and service needs vary significantly by geography.

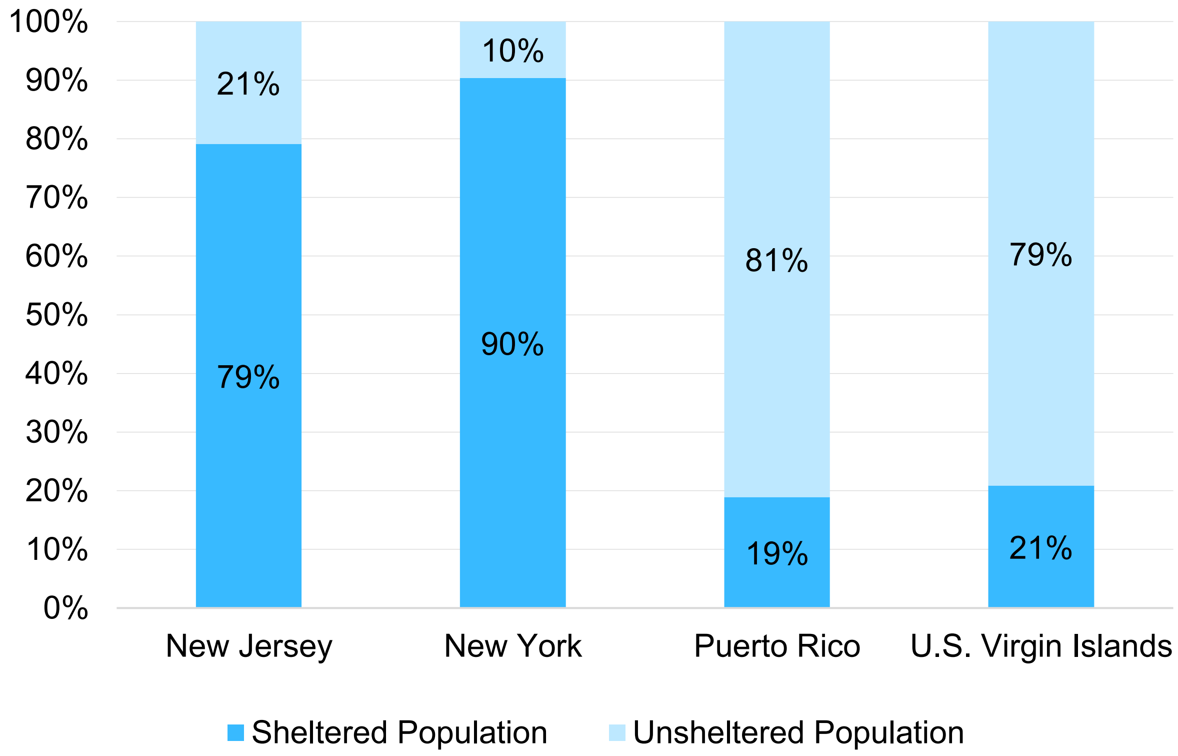
Homelessness Rate per 10,000 Residents (2022–2025)



New York had the highest homelessness rate in the District in 2025. The U.S. Virgin Islands had the second-highest rate despite an estimated population of 103,792, underscoring why rates are important alongside raw counts. *(Source: FRED)*

Source: HUD PIT and HIC Count

Shelter Status of Homeless Population (2025)



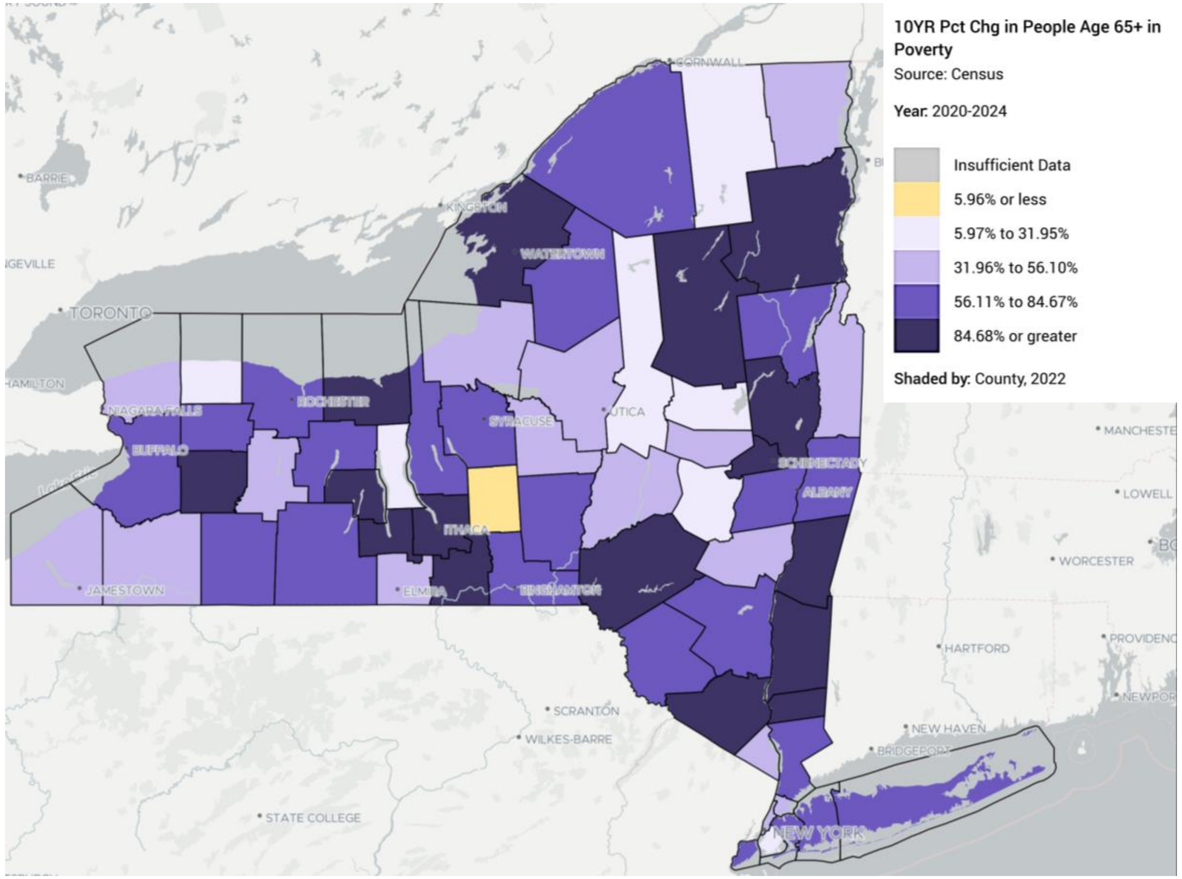
Puerto Rico and the U.S. Virgin Islands were primarily unsheltered in 2025, while New Jersey and New York were primarily sheltered. The split points to different response needs across the District.

Source: HUD PIT and HIC Count

Underserved Communities: Seniors

<u>Key Takeaway</u>: Senior poverty is rising while demographic aging accelerates. Housing affordability, preservation, and accessibility needs are expected to grow over the coming decade.

Change in the Number of Seniors Living in Poverty Across New York (2010-2014 to 2020-2024)



Several counties in New York experienced 30% to 85% growth in residents age 65+ living in poverty over the last decade, signaling growing financial vulnerability among older adults.

As the District's demographic profile shifts towards an increasingly older population, households living on fixed incomes are facing rising insurance premiums and deferred maintenance costs. This financial squeeze leaves a significant portion of older adults vulnerable to housing instability. As a result, preserving and rehabilitating existing housing will become increasingly important, along with investments that help seniors age in place safely and independently.

- **Mainland Senior Cost Burden:** In both New Jersey and New York, approximately 41% of senior households (age 65+) are housing cost-burdened, dedicating more than 30% of their income to housing costs and leaving limited resources for health care and daily essentials.
  (Source: America's Health Rankings / UnitedHealth Foundation)
- **Financial Hardship:** In Puerto Rico, the poverty rate remains elevated at 23%, more than three times the national average, heightening financial instability for older adults. *(Source: U.S. Census Bureau 2024 American Community Survey)*
- **Aging Populations:** 21% of the population in the U.S. Virgin Islands is age 65+, a higher concentration than the U.S. average of roughly 18%, creating disproportionate demand for senior housing.
  (Source: 2020 U.S. Census DHC Summary File for the U.S. Virgin Islands)
- **National Accessibility Deficit:** According to the Harvard Joint Center for Housing Studies, less than 4% of U.S. homes feature the three accessibility modifications necessary for aging safely: single-floor living, no-step entries, and extra-wide hallways. *(Source: Harvard JCHS)*

Underserved Communities: Tribal Governance & Lending Barriers

Key Takeaway: Tribal communities face unique housing development challenges related to land governance and access to capital, which can limit financing opportunities and constrain housing production.

State and Federal Tribes in District

TRIBAL NATION	RECOGNITION	STATE
Cayuga Nation	Federal	New York
Nanticoke Lenni-Lenape Tribal Nation	State	New Jersey
Oneida Indian Nation	Federal	New York
Onondaga Nation	Federal	New York
Powhatan Renape Nation	State	New Jersey
Ramapough Lenape Nation	State	New Jersey
Saint Regis Mohawk Tribe	Federal	New York
Seneca Nation of Indians	Federal	New York
Shinnecock Indian Nation	Federal	New York
Tonawanda Band of Seneca	Federal	New York
Tuscarora Nation	Federal	New York
Unkechaug Nation	State	New York

State-recognized tribes are fully excluded from federal Native housing safety nets, including both IHBG funds and HUD Section 184 loan guarantee, creating a stark, unmet need for regional private capital.
(Source: HUD Updates to Section 184 Approved Areas)

The FHLBNY District is home to eight federally recognized Tribal Nations and four state-recognized Tribal Nations. Although federal and state recognition can provide access to government programs and resources, Tribal communities continue to face housing development challenges related to land governance, infrastructure, and access to capital. These barriers can limit financing opportunities, constrain long-term planning, and complicate efforts to develop, preserve, and maintain housing within Tribal communities.

Key Development Barriers & Potential Interventions

AREA	LENDER CONSTRAINT	POTENTIAL INTERVENTION
Federal Trust Land	Land held in trust by the federal government for Tribal Nations generally cannot be pledged as collateral, limiting access to conventional mortgage and development financing.	HUD Section 184 Loan Guarantee Program reduces lender risk and supports mortgage lending in Tribal communities.
Missing Infrastructure	Lack of adequate infrastructure can drastically inflate development costs and halt immediate residential construction.	Infrastructure investments, pre-development funding, and gap financing can help make projects viable.
Recognition Gaps	State-recognized tribes are legally ineligible for major HUD Native housing safety nets, including NAHASDA (IHBG) grants and Section 184 mortgages, which mandate federal recognition.	Partnerships, regional support, and alternative capital sources can help address funding gaps.

Source: GAO Report on Native American Housing / FDIC Affordable Mortgage Lending Guide

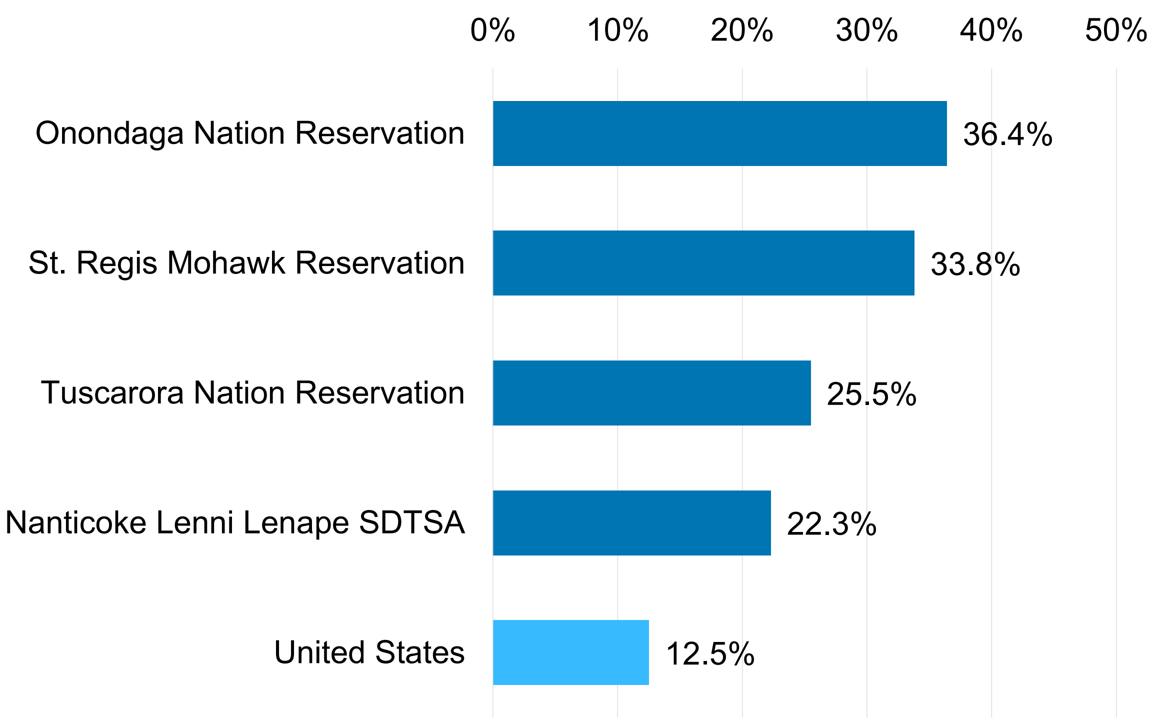
Underserved Communities: Tribal Affordability Gaps

Key Takeaway: Systemic capital underinvestment and historical exclusion from traditional credit markets have resulted in localized housing shortages and critical gaps in infrastructure across Tribal Nations.

Tribal communities face a dual mandate: navigating economic exclusion while addressing decades of underfunded community infrastructure that standard lending models overlook. Because traditional mortgage capital rarely flows seamlessly into Tribal Nations, these communities experience disproportionate rates of overcrowding and housing cost burdens, making the need for flexible, targeted investments critical.

- **Housing Quality:** Nationally, 48% of Native American households in rural and Tribal areas experience major housing problems, including physical deficiencies and plumbing issues. *(Source: Harvard T.H. Chan School of Public Health)*
- **Prevalence of Overcrowding:** HUD estimates that 68,000 new units are needed just to eliminate overcrowding and replace severely deficient units across Indian Country *(Source: HUD - Office of Policy Development and Research)*
- **Localized Poverty:** The St. Regis Mohawk Reservation (NY) faces a 33.8% poverty rate, which is more than double the U.S. national average. *(Source: Census Reporter, ACS 2024 Profile for St. Regis Mohawk Reservation)*
- **Affordability Mismatch:** 40% of households in the Nanticoke Lenni Lenape SDTSA earn under $50k, placing heavy burdens on households competing within severe regional housing costs. *(Source: Census Reporter, ACS 2024 Profile for Nanticoke Lenni Lenape SDTSA)*

Poverty Rate by Select Tribal Geography (2024)



Source: Census Reporter, ACS 2024 Profile

Targeted Beneficiaries

The TCLP identifies several beneficiary groups that experience disproportionate housing, credit, and community development challenges across the District. The table below summarizes the primary populations and organizations discussed in the Plan and the key challenges faced by each group.

CATEGORY	REPRESENTATIVE POPULATIONS	KEY CHALLENGES
Low- to Moderate-Income Households	• Extremely Low-Income Households (<30% AMI) • Low-Income Households (≤80% AMI) • First-Time Homebuyers	Housing cost burdens, limited housing supply, affordability barriers, downpayment constraints
Underserved Communities	• Seniors • Puerto Rico & U.S. Virgin Islands • Households Experiencing Housing Instability • Tribal Nations	Geographic isolation, trust land financing barriers, aging housing stock, accessibility challenges, disaster resilience needs
Community Development Organizations	• Nonprofit Housing Sponsors • Community-Based Developers	Sponsor capacity constraints, development costs, technical assistance needs
Small Businesses & Entrepreneurs	• Small Businesses • Minority-Owned Enterprises	Access to credit, elevated borrowing costs, capital constraints

MARKET OPPORTUNITIES

Stakeholder Consultation & Market Research

Consistent with FHFA requirements, the 2027 TCLP was developed through consultation with the Affordable Housing Advisory Council (AHAC), FHLBNY members, housing associates, and public and private economic development organizations throughout the District. These consultations complemented market research and helped validate affordable housing needs, identify credit needs and market opportunities, and inform proposed TCLP goals and AHP Implementation Plan ("AHP IP")* updates.

STAKEHOLDER CATEGORY	INSIGHTS INCORPORATED INTO THE TCLP
Affordable Housing Advisory Council (AHAC)	• Validation of significant affordable housing needs across the District • Input on underserved populations, including seniors, Tribal communities, and island territories • Feedback on proposed priorities, program responsiveness, and emerging housing challenges
Members & Housing Finance Stakeholders (e.g., Member Survey participants, Member Symposium participants)	• Continued importance of access to credit and reliable liquidity in a higher-rate environment • Opportunities to expand housing finance and community investment activities
Housing Associates & Housing Organizations (e.g., Enterprise Community Partners, Habitat for Humanity Puerto Rico)	• Housing production and preservation challenges driven by rising development costs • Sponsor capacity constraints, administrative burden, and technical assistance needs • Barriers to project feasibility, particularly in high-cost and resource-constrained markets
Community Development & Economic Development Organizations (e.g., New York CDFI Coalition, Ponce Neighborhood Housing Services)	• Financing gaps affecting affordable housing, community facilities, and economic development activities • Challenges accessing capital in underserved and lower-income communities • Opportunities to strengthen community development lending and local investment strategies
Stakeholders from Underserved Geographies (e.g., Shinnecock Nation, Ponce NHS)	• Trust land and other barriers affecting housing development and homeownership opportunities for Tribal Nations • Territory-specific housing resilience, rehabilitation, and infrastructure challenges
Events, Conferences & Roundtables (e.g., FHLBNY's MAP Roundtable, NYSAFAH Annual Conference)	• Validation of housing supply, affordability, and development challenges identified through market research • Perspectives on emerging financing, community development, and policy trends

Note: The AHP IP establishes AHP scoring criteria, eligibility requirements, and program administration policies.

Market Opportunities: Identified Needs

The TCLP identified a range of housing and community development needs across the District. The following pages connect these needs to 2027 AHP IP updates, existing AHP scoring categories, and FHLBNY program responses.

ISSUE AREA	IDENTIFIED NEED
Member Credit & Liquidity	• Ensure members have access to funding and liquidity that supports housing and community development lending.
Access to Credit & Opportunity	• Expand access to credit, financing, and economic opportunity for households, businesses, and communities.
Affordable Housing Development	• Increase affordable housing production through cost efficient development approaches, such as leveraging adaptive reuse or donated property. • Address rising development costs that challenge affordable housing production and project feasibility. • Strengthen sponsor capacity and improve project feasibility and long-term sustainability.
Rental Housing	• Expand affordable rental housing opportunities for lower-income households.
Owner-Occupied Housing	• First-time homebuyers need less burden and barriers to entry.
Housing Stability	• Elevated levels of housing instability and homelessness continue to create demand for supportive housing and related services. • Puerto Rico and the U.S. Virgin Islands face acute energy and resilience challenges.
Underserved Communities	• Housing solutions are needed to address the unique challenges faced by underserved communities.

The identified needs guide FHLBNY responses, as detailed in the following pages:

1. 2027 AHP IP Updates

2. Existing AHP Scoring Categories

3. Existing & New Program Responses

TCLP Identified Needs & AHP IP Updates

TCLP SECTION	IDENTIFIED NEED	IP CHALLENGE	IP RESPONSE
Affordable Housing Development	Increase affordable housing production through cost efficient development approaches, such as leveraging adaptive reuse or donated property.	Scoring - Preservation: Growing use of adaptive reuse projects is not directly recognized in scoring.	Add adaptive reuse subcategory under Preservation (up to 5 points).
Affordable Housing Development	Increase affordable housing production through cost efficient development approaches, such as leveraging adaptive reuse or donated property.	Scoring - Donated Property: Current appraisal requirements set by the Bank may disadvantage a project from achieving donated property scoring.	Enhance the donated property scoring methodology to extend the appraisal timeline, better accommodate multi-parcel developments, and more accurately quantify the project cost savings generated through donated land contributions.
Affordable Housing Development	Address rising development costs that challenge affordable housing production and project feasibility.	Scoring - Subsidy per Unit: The current calculation does not promote the efficient deployment of limited AHP resources.	Increase maximum points for subsidy per unit from 5 to 10 to better recognize cost efficiency and project scale, without disadvantaging small projects.
Affordable Housing Development	Strengthen sponsor capacity and improve project feasibility and long-term sustainability.	Compliance - Long Term Monitoring: Lower-risk, smaller awards may not require the same monitoring frequency.	Adopting less frequent long-term monitoring schedule for smaller subsidies.
Housing Stability	Puerto Rico and the U.S. Virgin Islands face acute energy and resilience challenges.	Scoring - Green Building Innovation: Current eligible improvements are not relevant within Puerto Rico/U.S. Virgin Islands	Expanded eligible resilience improvements for projects in Puerto Rico and the U.S. Virgin Islands, including waterproofing improvements, to strengthen long-term sustainability and resilience to hurricanes, flooding, and other environmental challenges.
Owner-Occupied Housing	Reduce burdens and barriers to entry for first-time homebuyers.	HDP Efficiencies – Current LTV limit is restrictive and does not always complement other first-time homebuyer programs offered by membership.	Align with the other FHLBs and remove the LTV cap, expediting processing time and deferring to member mortgage decisions. Greater focus on income eligibility.
Rental Housing	Expand affordable housing opportunities for lower-income households.	Scoring - Mixed Income Housing: Mixed-income scoring creates compliance challenges, recapture risk at lease-up, and risks denial of low AMI households to achieve points.	Remove mixed-income housing as a scoring category.
Underserved Communities	Housing solutions are needed to address the unique challenges faced by underserved communities.	Scoring - Underserved Communities: Seniors face disproportionate housing instability; not specifically incentivized.	Add Underserved Communities subcategory to preference senior projects.
Underserved Communities	Housing solutions are needed to address the unique challenges faced by underserved communities.	HDP Household and Program Criteria: Challenges associated with lending on Tribal land are not clearly addressed.	Permitting USDA Rural Development Section 502 Direct Loan Program financing was intended to address lending challenges on Tribal lands and expand access to homeownership assistance for eligible households in rural and underserved communities where conventional mortgage financing may be limited.

Existing AHP Scoring Responses to Identified Needs

ISSUE AREA	IDENTIFIED NEED	EXISTING AHP SCORING RESPONSE
Access to Credit & Opportunity	Expand access to credit, financing, and economic opportunity for households, businesses, and communities.	• Creating Economic Opportunity provides scoring for projects located in high-opportunity areas.
Affordable Housing Development	Increase affordable housing production through cost efficient development approaches, such as leveraging adaptive reuse or donated property.	• Preservation of Affordable Housing provides scoring for rehabilitation or replacement of existing occupied housing.
Affordable Housing Development	Address rising development costs that challenge affordable housing production and project feasibility.	• Project Readiness rewards projects that have approvals and financing commitments in place.
Affordable Housing Development	Strengthen sponsor capacity and improve project feasibility and long-term sustainability.	• Sponsorship by a Not-for-Profit Organization or Government Entity rewards projects led by nonprofit or public-sector sponsors.
Housing Stability	Elevated levels of housing instability and homelessness continue to create demand for supportive housing and related services.	• Housing for Homeless Households provides scoring for projects serving homeless households. • Supportive Housing for Rental Projects provides scoring for projects serving households with special needs.
Housing Stability	Puerto Rico and the U.S. Virgin Islands face acute energy and resilience challenges.	• Affordable Housing in U.S. Territories provides scoring for projects located in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories.
Rental Housing	Expand affordable rental housing opportunities for lower-income households.	• Targeting to Lower Income Households awards points based on the share of units serving lower-income households. • Rental Housing for Extremely Low-Income Households provides scoring for projects reserving units for households at or below 30% AMI.
Owner-Occupied Housing	First-time homebuyers need less burden and barriers to entry.	• Owner-Occupied Projects provides scoring for projects in which 100% of units are owner-occupied.
Underserved Communities	Housing solutions are needed to address the unique challenges faced by underserved communities.	• Native American Tribal Housing Initiatives provides scoring for projects developed or sponsored by Tribal entities.

Note: AHP Scoring Categories updated through the 2027 IP changes are addressed on the prior slide.

FHLBNY Program Responses to Identified Needs

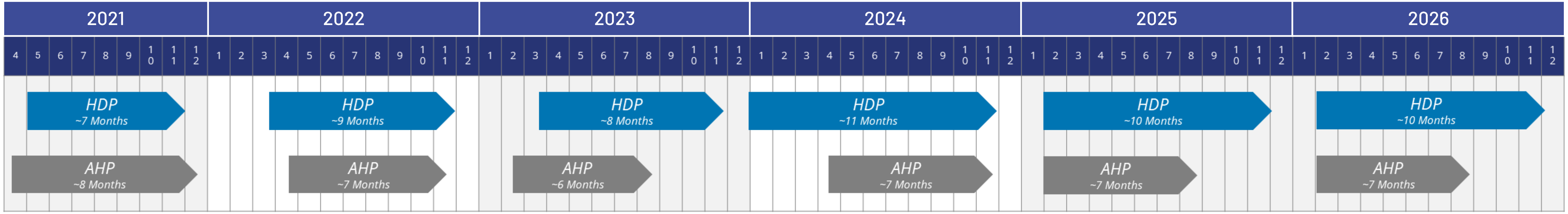
ISSUE AREA	IDENTIFIED NEED	PROGRAM RESPONSE
Access to Credit & Opportunity	Expand access to credit, financing, and economic opportunity for households, businesses, and communities.	• SBRG provides grant funding that supports small business resiliency, recovery, and local economic development. • CLP provides discounted advances that support affordable housing, economic development, and community investment activities. • ZDA provides interest-rate subsidies that help lower financing costs for eligible community and economic development projects.
Affordable Housing Development	Increase affordable housing production through cost efficient development approaches, such as leveraging adaptive reuse or donated property.	• Housing Impact Grant (HIG), a new program for 2026, supports innovative approaches to affordable housing development that address financing gaps.
Member Credit & Liquidity	Ensure members have access to funding and liquidity that supports housing and community development lending.	• CLP provides discounted advances that support affordable housing, economic development, and community investment activities. • ZDA provides interest-rate subsidies that help lower financing costs for eligible community and economic development projects.
Owner-Occupied Housing	Reduce burdens and barriers to entry for first-time homebuyers.	• HDP provides downpayment and closing cost assistance for income-eligible first-time homebuyers. • MAP supports homeownership and mortgage market liquidity through the purchase of fixed-rate mortgages from members. • MAP HomeAssist, launched in 2026, enables participating members to provide downpayment and closing cost assistance to low- to moderate-income homebuyers.

Note: In addition to the program responses shown above, the AHP General Fund remains FHLBNY's primary source of competitive affordable housing subsidy and is reflected in the scoring framework described on the previous pages.

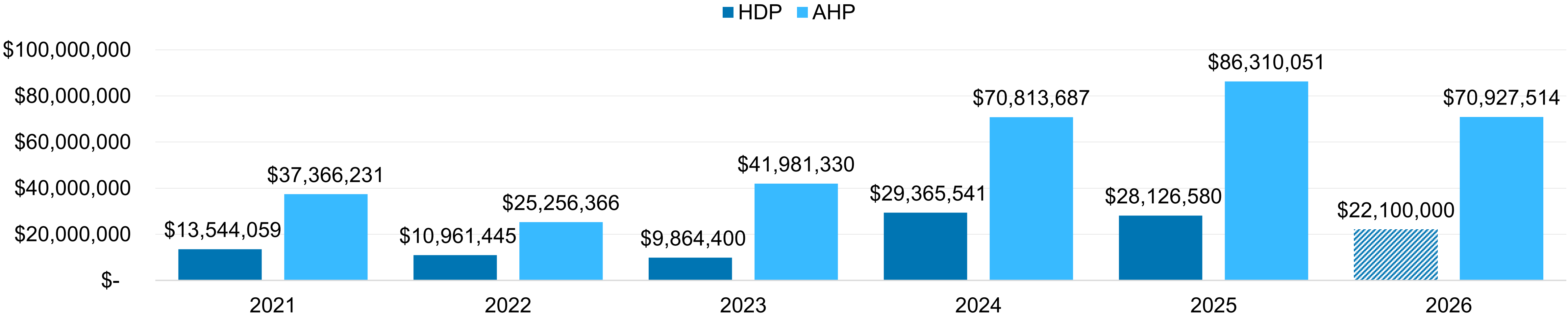
HDP & AHP General Fund Round – Duration & Volume

The following slides provide context on the recent scale and reach of FHLBNY's HDP and AHP General Fund, including round duration, funding activity, member participation, and geographic distribution across the District.

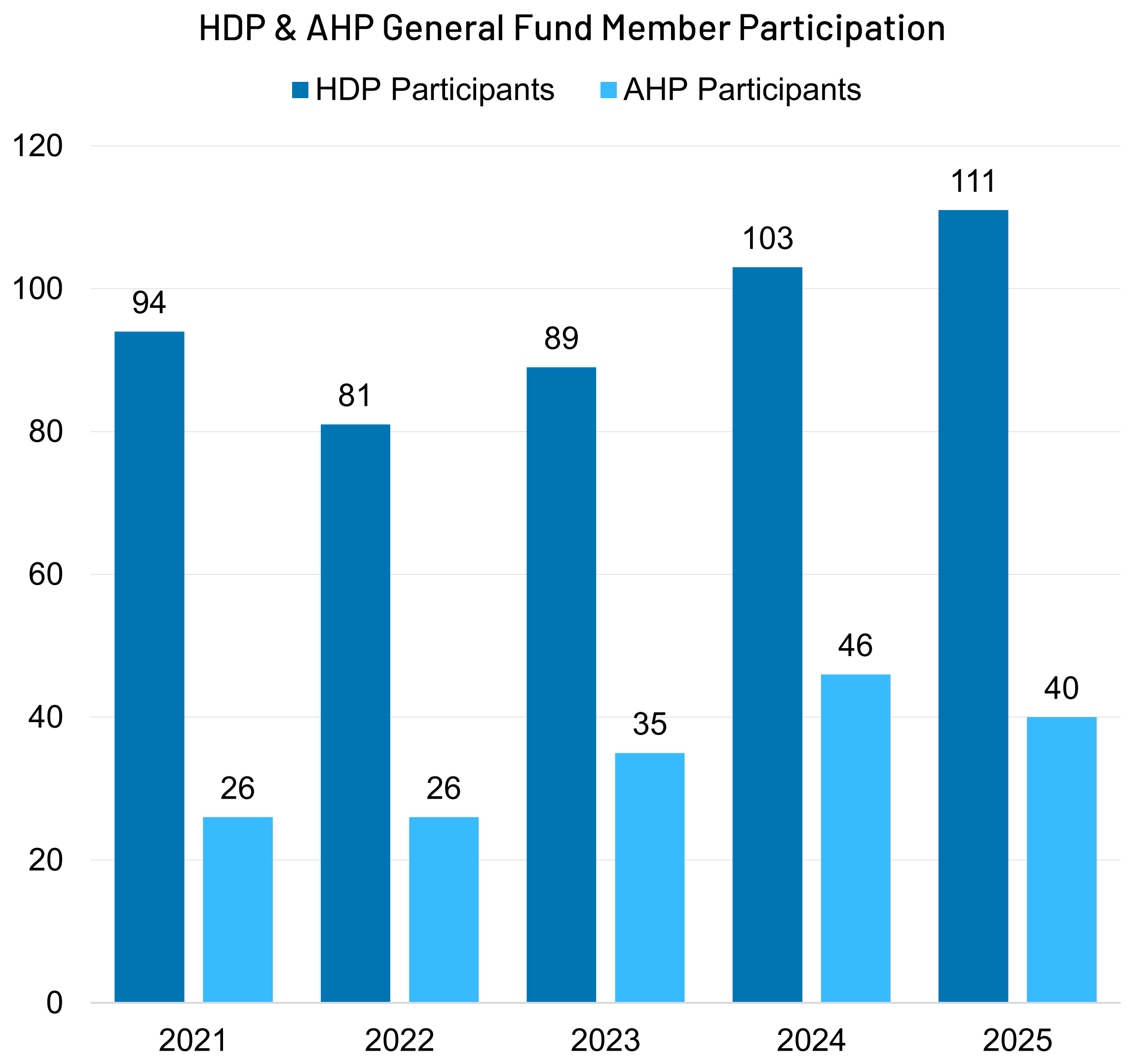
Duration: 2021 – 2026

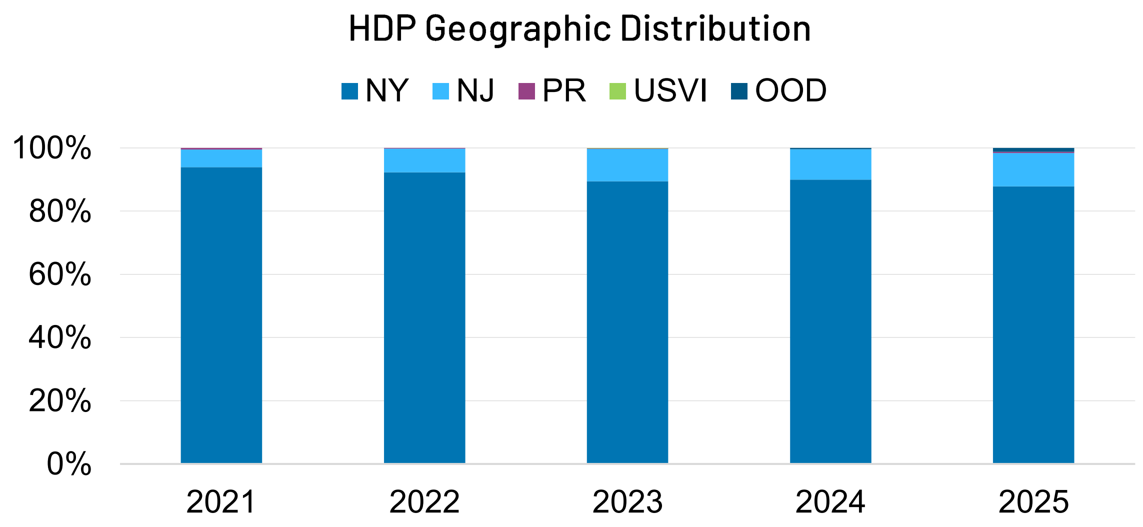


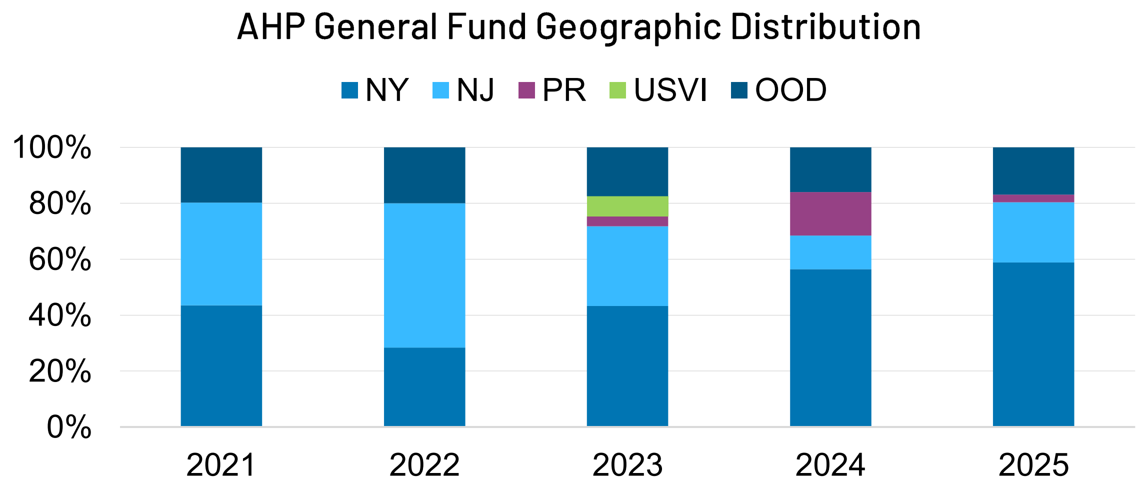
Volume: 2021 – Allocated 2026



HDP & AHP – Participation & Geographic Distribution







QUANTITATIVE GOALS

2027 Quantitative Goals

The TCLP establishes quantitative goals that guide FHLBNY's housing and community investment activities in response to identified District needs. The goals below build on progress achieved in 2026 and provide a framework for measuring performance during 2027.

ISSUE AREAS	IDENTIFIED NEED	GOALS FOR 2027	METRICS
Affordable Housing Production & Preservation	Housing affordability challenges, rising development costs, and housing shortages continue to constrain the production, preservation, and rehabilitation of affordable housing across the District.	• Support the creation and preservation of affordable housing. • Advance solutions that address development barriers and financing gaps. • Explore opportunities to strengthen housing production through existing and new programs.	• 4,000 affordable housing units created or preserved and households supported. • Deploy at least 15% of 2026 net income through statutory AHP and voluntary programs. • Implement 1 new housing-related program, enhancement, or initiative.
Underserved Communities	Underserved populations continue to face barriers to accessing housing resources, capital, and FHLBNY programs.	• Continue to expand participation from Puerto Rico, the U.S. Virgin Islands, Tribal communities, and other underserved populations. • Engage member and non-member CDFIs and/or cooperativas to better meet the needs of underserved populations. • Strengthen relationships with organizations serving underserved communities.	• Conduct or participate in 2 or more outreach activities in Puerto Rico and/or the U.S. Virgin Islands. • Attend 2 or more Tribal housing conferences or events. • Support submission of 1 or more AHP applications serving Tribal communities. • Support 2 or more AHP applications submitted through CDFI or Cooperativa members.
Supporting Nonprofit Organizations	Nonprofit organizations play a critical role in the affordable housing ecosystem but continue to face funding, staffing, and capacity constraints.	• Engage nonprofit organizations to better understand emerging needs and operational challenges. • Support nonprofit capacity-building through partnerships, education, and technical assistance. • Strengthen relationships with mission-driven housing organizations across the District.	• Conduct 2 nonprofit-focused roundtables, convenings, or educational events. • Attend 4 nonprofit housing conferences or industry events. • Develop new relationships with 4 nonprofit organizations.
Engagement & Partnerships	Addressing evolving housing and community development needs requires ongoing engagement with members, stakeholders, and partners throughout the District.	• Gather member and stakeholder input on emerging housing and community development needs. • Strengthen partnerships across the affordable housing ecosystem. • Identify opportunities to enhance existing programs and services based on market feedback.	• Conduct 3 member-focused engagement events, listening sessions, or forums. • Develop 1 white paper based on significant findings from engagement activities. • Launch or complete 1 initiative or program enhancement informed by stakeholder feedback.

2026 Quantitative Goals – Progress Update

As of August 2026, FHLBNY has achieved or made substantial progress toward the majority of its 2026 TCLP quantitative goals. The results below reflect activities completed to date, with implementation efforts ongoing and additional progress expected through year-end.

Housing Market

Eroding Homeownership Affordability
Home prices continued to rise across the District in 2025 (+6.6% NJ, +5.7% NY).

Barriers to First-time Homeownership
Affordability constraints and higher monthly payments are delaying entry into homeownership, with the median age of first-time buyers rising to 40.

Rising Development & Insurance Costs
Economic factors are driving up development costs and capital needs. Reflecting market trends, avg. AHP rental project costs have trended upward, peaking at approximately $485K per unit in the 2023 round.

Supply Constraints and Cost Burden
Rental vacancy rates remain at historic lows, including 1.4% in NYC, driving persistent cost burden. Underserved communities are disproportionately impacted.

Housing Market Solutions

Goals		Progress (as of August 2026)
Explore Capital Solutions: Identify and explore tools to help address predevelopment needs and project cost gaps amid rising development expenses.	• Create one (1) or more new products or programs. • Allocate 5% of prior year's net income across voluntary programs.	**100%** Complete **100%** Complete
Support Nonprofit Capacity: Engage nonprofit housing partners to understand funding challenges and explore opportunities to strengthen organizational capacity and impact.	• Hold two (2) or more industry roundtables or convenings with nonprofits. • Attend three (3) nonprofit housing conferences or events.	**In Progress** **100%** Complete
Deepen Tribal Engagement: Expand outreach and engagement with Tribal Nations to help address acute housing needs and increase awareness and use of FHLBNY products and resources.	• Attend three (3) or more Tribal housing conferences and events. • Cultivate new relationships with one (1) or more Tribal Nation(s). • Submission of one (1) or more AHP General Fund application(s) from Native Sponsor(s) supporting tribal communities.	**66% Complete** **In Progress** **100%** Complete
Member Engagement: Gather member input on market conditions and gauge risk appetite for potential solutions for addressing the affordability crisis.	• Hold five (5) or more member-focused events to solicit input for new programs or products. • One (1) or more new programs or products created.	**100%** Complete **100%** Complete

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