



FHLB NY MEMBER CREDIT RATINGS

A strong and healthy membership is vital to the ongoing success and stability of the Federal Home Loan Bank of New York (FHLB NY), which is why we determine a credit score for members and continually monitor our members' credit quality. This rating, as well as the underlying criteria used in determining specific scores, is available to members upon request.*

Understanding Your Credit Score

Just as credit scores are used to evaluate the potential risk in consumer lending, the FHLB NY uses an internal credit scoring model to calculate member credit scores. This model assigns credit scores based on financial ratios that address the following key operating segments: asset quality, capital adequacy, liquidity, and earnings.

Credit scores are calculated quarterly using recent regulatory financial data, as well as information drawn from regulatory safety and soundness examinations.

Ratings are calculated using a two-step process:

- **Raw Credit Rating:** determined using the ratios and risk indicator weightings mentioned above, reflecting the relative importance of each category.
- **Final Credit Rating:** derived from the raw credit rating, plus the impact of several other risk elements, including but not limited, to: the member's CAMELS rating, commercial real estate exposure, private label MBS concentrations, vehicle loans, unsecured loans, and the use of brokered deposits.

| FHLB NY Credit Score Legend | |
|-----------------------------|-----------------|
| 1 | EXCELLENT |
| 2-3 | VERY GOOD |
| 4-5 | AVERAGE |
| 6 | SPECIAL MENTION |
| 7-10 | WATCH LIST |

How Does the FHLB NY Use Your Credit Score?

The credit score is used as a screening tool and could have various impacts on your institution's business relationship with the FHLB NY**, including:

- Collateral pledging category
- Collateral haircuts
- Term of credit extensions
- Pricing of MULOCS and L/Cs
- Participation in the Mortgage Partnership Finance® (MPF®) Program
- Participation in FHLB NY Affordable Housing Programs

Please Note:

*Community development financial institutions (CDFIs) and health insurance companies do not receive a credit rating from the FHLB NY.

**At the point that an institution's credit score falls between 6 and 6.99, a member may begin to experience some restrictions.

Find Out Your Credit Rating | Contact Us

If you would like to discuss your institution's credit rating and how it is calculated, contact your Relationship Manager at (212) 441-6700.