



Federal Home Loan Bank
NEW YORK

2018 D&I ANNUAL REPORT



FOSTERING DIVERSITY & INCLUSION
ACROSS OUR BUSINESS

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Executive Summary

2018 was another strong year for diversity and inclusion (“D&I”) initiatives at the Federal Home Loan Bank of New York (“FHLBNY” or “Bank”) as evidenced by the contents included in the 2018 D&I Annual Report (“Report”). A summary of the achievements are as follows:

- A Board approved:
 - 2018 D&I Annual Plan that included aspirational targets and measures for Capital Markets, Procurement, and Employment activities to help the Bank on a “best efforts basis” to measure progress towards achieving our objectives.
 - The Bank’s 3-year Strategic Plan (2019-2021), which included diversity and inclusion.
 - D&I Communication Plan that’s designed to communicate the Bank’s diversity and inclusion commitment, efforts, and activities to the Federal Housing Finance Agency (“FHFA”), Board of Directors, Management Committee, current and future employees and current and future business partners.
 - D&I Capital Markets Program that’s designed to provide a framework for the Bank’s diversity and inclusion commitment, efforts, and activities related to governance, outreach, education, and opportunities provided to Minority, Women, and Disabled-Owned (“MWDOB”) Broker/Dealers.
 - D&I Procurement Program that’s designed to provide a framework for the Bank’s diversity and inclusion commitment, efforts, and activities related to governance, outreach, education, and opportunities provided to Minority, Women, and Disabled-Owned Businesses.
 - D&I Employment Program that’s designed to communicate various channels used throughout the employment cycle to help ensure that diversity and inclusion is embedded in the Bank’s outreach, recruitment, hiring, performance management, learning and development, promotion, and succession planning processes.
- The Affordable Housing Program group identified, interviewed, and selected a diverse group of Affordable Housing Advisory Council members that will advocate for their areas of expertise and geography.
- Enhanced D&I outreach to over two dozen strategic diversity partner organizations and at least one dozen universities with diverse student bodies.
- Performed an annual risk assessment that included D&I risk exposure on an entity-wide basis.
- The Bank’s Internal Audit department conducted a comprehensive audit of the D&I programs and opined that the internal control structure for D&I is generally satisfactory.

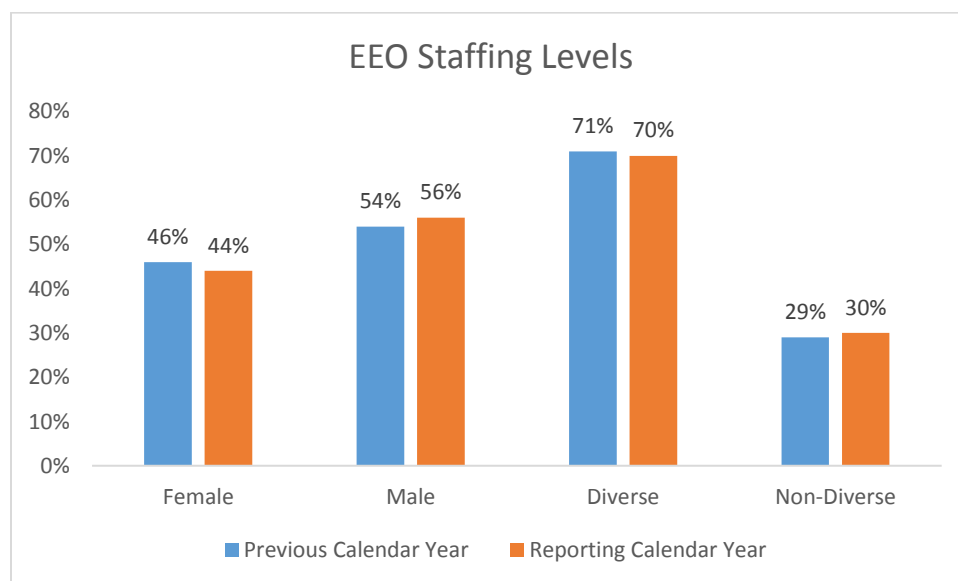
Workforce Diversity

The Bank is committed to hiring, developing, promoting, and retaining a workforce that mirrors the communities it serves. A comprehensive board-approved D&I Employment Program was developed to communicate various channels used throughout the employment cycle to help ensure that diversity and inclusion is embedded in the Bank's outreach, recruitment, hiring, performance management, learning and development, promotion, and succession planning process. Our commitment to diversity and inclusion means seeking out the best mix of talent available, eliminating artificial barriers to growth within the Bank, and providing opportunities and incentives to unlock the full potential of a diverse workforce. We consider diversity a core asset, essential to building and maintaining a competitive edge which can be a key to success both now and into the future.

Overall, the Bank's distribution of women (44%) and men (56%) is fairly balanced and has been for many years. A review of the Bank's employee demographics data shows that the representation of Black or African American, Hispanic or Latin(x), or individual with disabilities is low when compared to the demographics of the diverse communities that the Bank serves. This trend is evident with applicant data for open positions and distribution of officers in the Bank.

EEO Staffing Levels (EEO-1 Report) – §1223.23(b)(1) and §1223.23(b)(11)

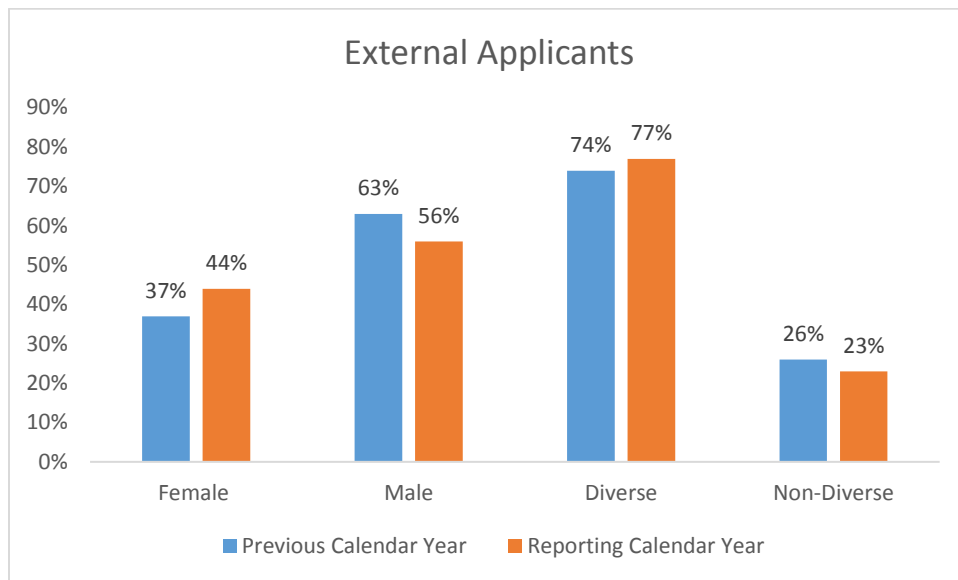
- In 2016, the Bank's employee headcount was 280. Of the 280 employees, 45% were women and 55% were men; 69% were diverse and 31% were non-diverse.
- In 2017, the Bank's employee headcount was 308. Of the 308 employees 46% were women and 54% were men; 71% of the Bank's employees were diverse and 29% were non-diverse.
- In 2018, the Bank's employee headcount was 314 employees. There were 44% women and 56% men; 70% of the Bank's employees were diverse and 30% were non-diverse. Even though the Bank's employee headcount increased year over year, the Bank's demographics remained relatively the same.



*Diverse includes minorities, women, and disabled as defined by the rule.

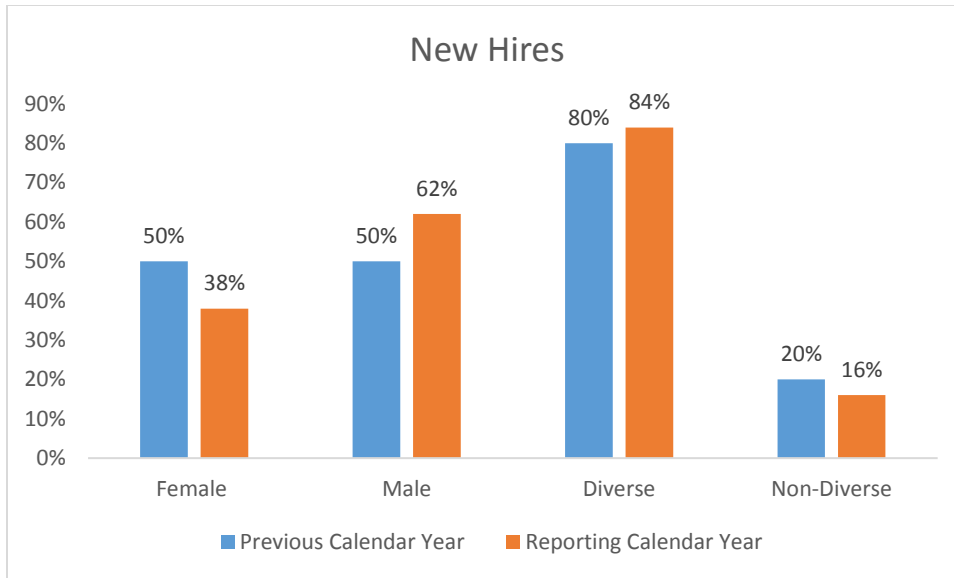
External Applicants – §1223.23(b)(3) and §1223.23(b)(11)

- In 2016, there were 1,796 external applicants that self-identified. Of these applicants, 33% were women and 67% were men; 68% were diverse and 32% were non-diverse.
- In 2017, there were 1,416 external applicants that self-identified. Of these applicants, 37% were women and 63% were men; 74% were diverse and 26% were non-diverse.
- In 2018, there were 2,931 external applicants that self-identified. Of these applicants, 44% were women and 56% were men; 77% diverse and 23% non-diverse.
- There has been an upward trend in the number of external applicants as well as the number of women and diverse applicant's year over year since 2016.



New Hires – §1223.23(b)(4) and §1223.23(b)(11)

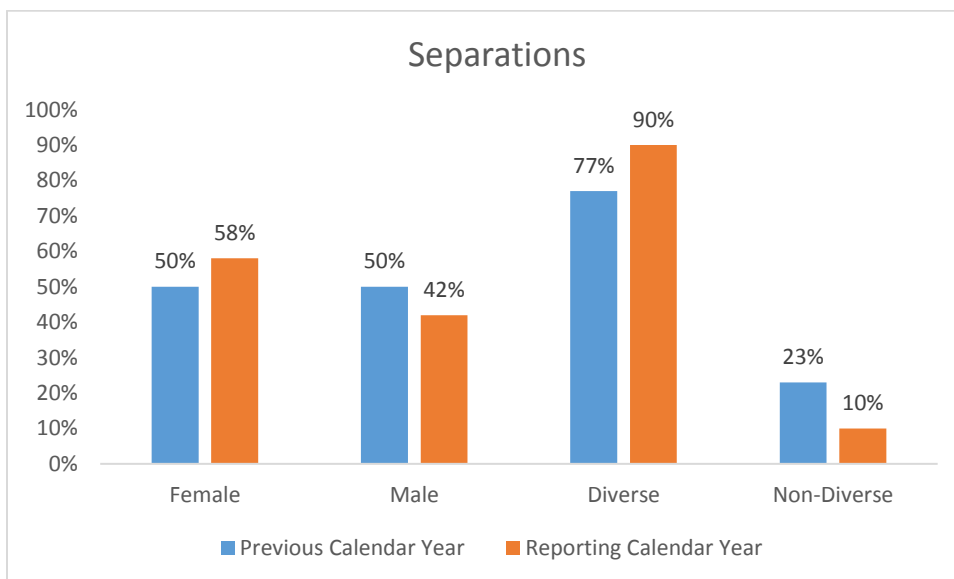
- In 2016, the Bank hired 38 new employees. Of those hired, 42% were women and 58% were men; 74% were diverse and 26% were non-diverse.
- In 2017, the Bank hired 50 new employees. Of those hired, *50% were women and 50% were men; 80% were diverse and 20% were non-diverse.
- In 2018, the Bank hired 37 new employees. Of those hired, 38% were women and 62% were men; 84% were diverse and 16% were non-diverse.
- There has been an upward trend in the number of diverse new hires year over year since 2016.



*The 2017 D&I Annual Report inadvertently reported 24 women and 26 men for 2017 hires.

Separations – §1223.23(b)(5) and §1223.23(b)(11)

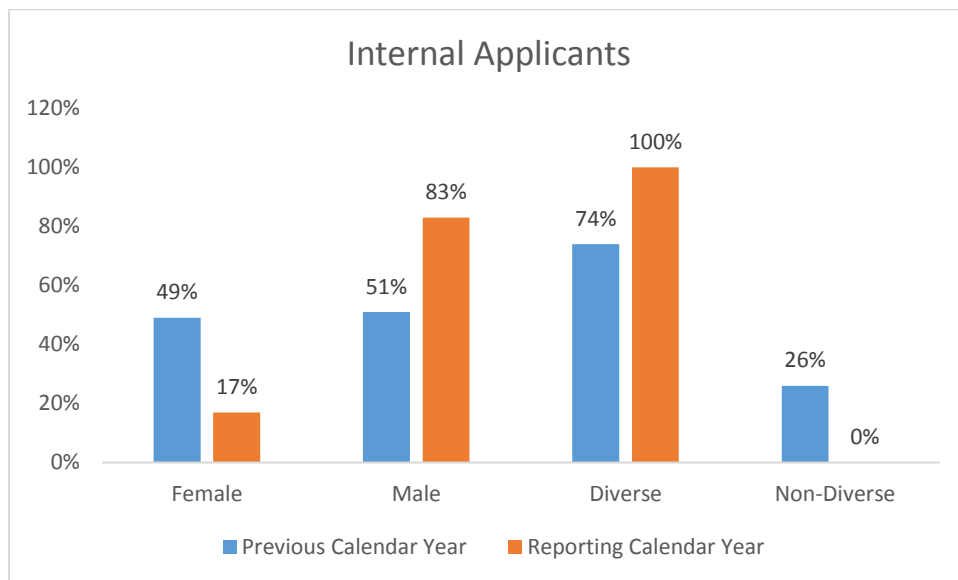
- In 2016, there were 24 employees who left the Bank’s employment. Of those employees who left the Bank, 25% were women and 75% were men; 62.5% were diverse and 37.5% were non-diverse.
- In 2017, there were 22 employees who left the Bank’s employment. Of those employees who left the Bank, 50% were women and 50% were men; 77% were diverse and 23% were non-diverse.
- In 2018, there were 31 employees who left the Bank’s employment. Of those employees who left the Bank, 58% were women and 42% were men; 90% were diverse and 10% were non-diverse.
- There has been an upward trend in the number of women and diverse employees who are leaving the Bank’s employment year over year since 2016.



Internal Applicants – §1223.23(b)(7)(i and ii) and §1223.23(b)(11)

In 2016 and 2017, internal applicants included all employees who were promoted into a new position, applied for a vacant position, or were advanced to the next step as part of their career pathing plan.

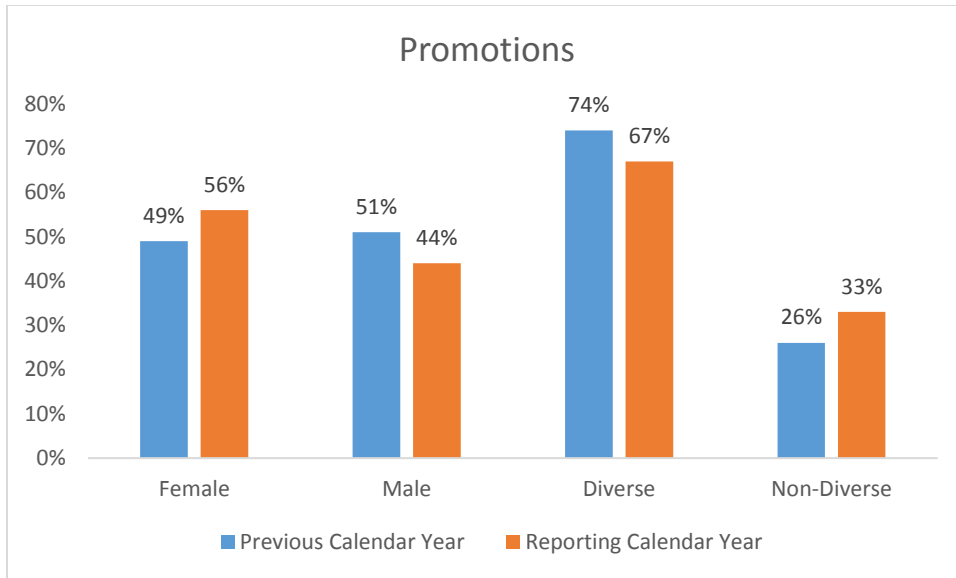
- In 2016, there were 66 internal Bank employees who were identified as being in this category. Of the 66 employees, 50% were women and 50% were men; 71% diverse and 29% non-diverse.
- In 2017, there were *61 Bank employees who were identified as being in this category. Of the 61 employees, 49% were women and 51% were men. Of these employees, 74% were diverse and 26% were non-diverse.
- In 2018, the definition of an internal applicant changed to only include active Bank employees that formally applied to an open position (excludes promotions). There were a total of six internal applicants in 2018, 17% were women, 83% were men, and 100% were diverse employees.



* The 2017 D&I Annual Report inadvertently reported 66 Promotions for 2017.

Promotions – §1223.23(b)(8)(i - iii) and §1223.23(b)(11)

- In 2016, 66 employees were promoted, 50% were women and 50% were men. There were 71% diverse and 29% non-diverse.
- In 2017, *61 employees were promoted, 49% were women and 51% were men. Diverse employees accounted for 74% and non-diverse employees were 26%.
- The Bank promoted 45 employees in 2018. Women accounted for 56% of those promotions and 44% were men. Of the promoted employees, 67% were diverse and 33% were non-diverse.



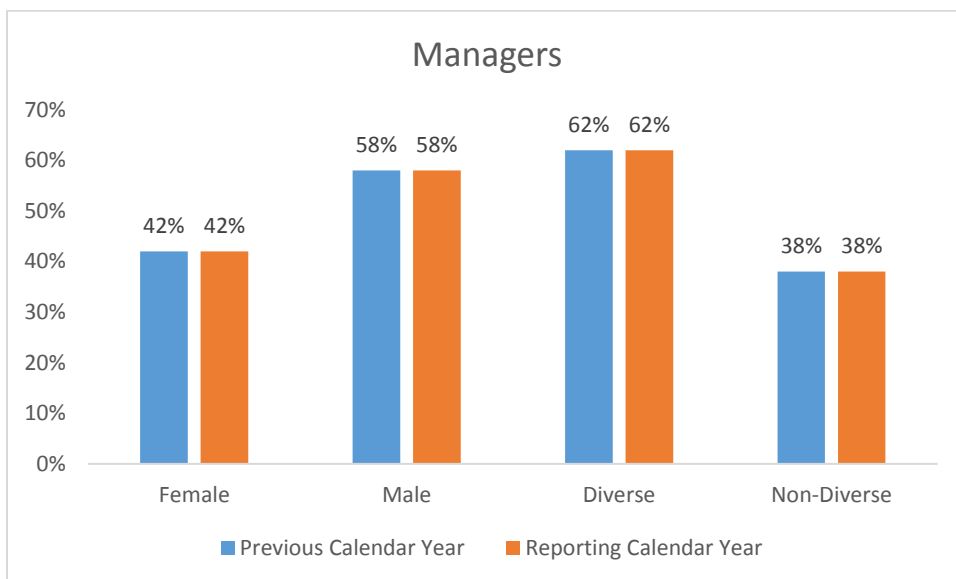
* The 2017 D&I Annual Report inadvertently reported 66 Promotions for 2017.

Supervisors and/or Managers – §1223.23(b)(9) and §1223.23(b)(11)

In 2016, the Bank had 85 employees who were managers (being defined as having responsibility of managing other employees). The distribution of managers were 36% women and 64% were men; 59% diverse and 41% non-diverse.

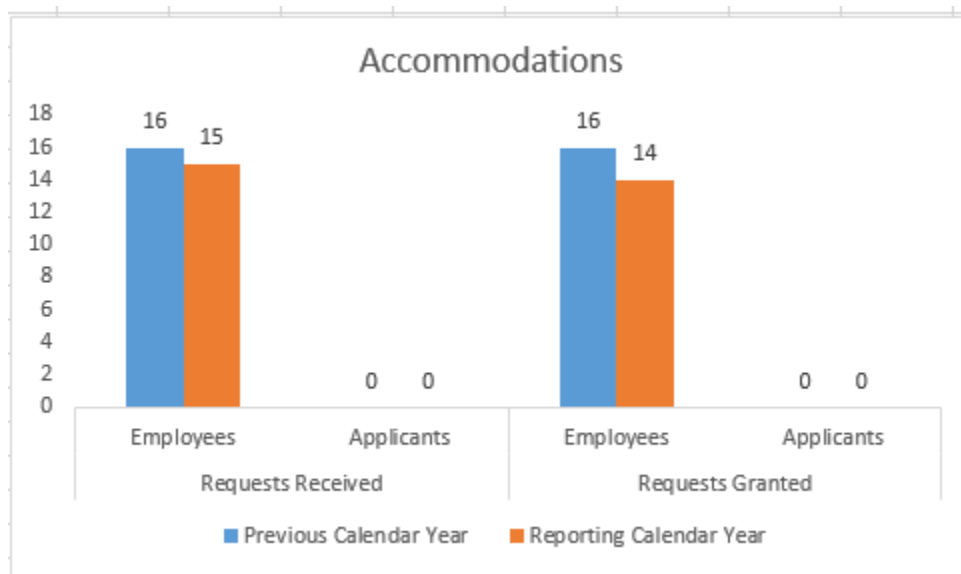
In 2017, the Bank had 81 employees who were managers (being defined by not only title, but for having the responsibility of managing other employees). The distribution of managers were 42% women and 58% were men; 62% diverse and 38% were non-diverse.

In 2018, the number of managers rose slightly to 84 and the percentages remained the same for women (42%), men (58%), diverse (62%) and non-diverse (38%).



Accommodations – §1223.23(b)(6) and §1223.23(b)(11)

- In 2016, nine employees requested an accommodation all of which were granted. Of the nine requests, eight were medical accommodations and one was a workplace accommodation.
- In 2017, sixteen employees requested an accommodation all of which were granted. Of the 16 requests, 12 were medical accommodations and four were workplace accommodations. One employee was classified as disabled.
- In 2018, there were 15 employees who requested an accommodation. Of those 15, 14 requests were granted. Thirteen of the 15 requests, were medical accommodations and two were workplace accommodations. One employee was classified as disabled.
- There were no applicants who requested an accommodation in 2016, 2017, or 2018.



Year	Requester	Requests Received	Requests Granted	Disabilities Accommodated	Type of Accommodation Granted
2018	Employee	11	11	0	Work from Home
	Employee	1	1	0	Work from NJ Office
	Employee	1	1	0	Ergonomic Work Station Set-up
	Employee	1	1	0	Wearing Sneakers and Using Pillow
	Employee	1	0	0	Temporary Parking Space at NJ Office
	Applicant	0	0	0	N/A
2017	Employee	10	10	0	Work from home
	Employee	1	1	0	Work from NY Office Location
	Employee	1	1	0	Reduced Work Schedule

Employee	4	4	0	Ergonomic Work Station Set-up
Applicant	0	0	0	N/A

Outreach - §1223.23(b)(13) and §1223.23(b)(23)

The Bank’s Diversity and Inclusion Outreach Business Partner (“D&I Partner”) builds relationships with selected high schools, colleges and universities, local and national professional associations, and other diversity organizations to help develop a talent pool and increase the number of minorities, women, and individuals with disabilities (“Diverse Candidates”) applying and being hired for open positions at the Bank. Through these established relationships, the D&I Partner promotes the Bank as an employer of choice by highlighting our various opportunities, culture, benefits, and commitment to diversity and inclusion.

Outreach was conducted to over two dozen strategic diversity partner organizations and at least one dozen universities with diverse student bodies in 2018. The intention was to establish and build relationships between the Bank and a strong pipeline of diverse candidates to fill current and future open positions.

The following is a summary of the Bank’s D&I Outreach efforts in 2018:

Outreach Activity	Partnering Organizations/Government Offices
Celebrating Diversity Month: What 2018 Will Mean to Diversity & Inclusion on April 24, 2018	[Redacted]
[Redacted]: Developing a Diverse Pipeline Inside & Out on April 26, 2018	[Redacted]
Members of the Human Resources team and Risk Management department facilitated an Information Session at [Redacted] on September 26, 2018	[Redacted]
Campus Recruiting Forum: Diversity, Equity and Inclusion: Creating a Sense of Belonging at Your Organization on May 10, 2018	[Redacted]
[Redacted] Case Competition on June 8, 2018	[Redacted]
[Redacted] Summer Networking Mixer on June 26, 2018	[Redacted]
[Redacted] Conference on August 23, 2018	[Redacted]

Human Resources has on-going conversations with Bank managers about ways to foster the spirit of diversity & inclusion throughout their teams every day.

Outcome Analysis - §1223.23(b)(24)

Objective: To increase the average number of diverse applicants and new hires over a three period.

Since 2016, the Bank has experienced an upward trend in the number of external applicants who are women and diverse and an upward trend in the number of diverse new hires. The Bank will continue to review its current programs to help ensure that this upward trend is sustained and helps us meet and exceed our aspirational targets for applicants and new hires.

During this same period, the Bank has consistently promoted women and diverse employees and more than half of the Bank's supervisors and managers are employees with diverse backgrounds.

During the same time period, the Bank has also witnessed an increase in the number of women and diverse employees who have terminated employment with the Bank. A review of exit interviews during this period indicates that the top four reasons for turnover was 1) Better Opportunity; 2) Limited Career Path; 3) Retirement; and 4) Poor Performance.

Future Strategy - §1223.23(b)(25)

The Bank will continue to review its current employment programs to help ensure that the upward trend in the number of diverse applicants and new hires is sustained and helps us meet and exceed our aspirational targets for applicants and new hires. The enhancement of the Bank's outreach in 2018 to strategic diversity partner organizations (diversity-focused organizations that have members in specific industries), schools with highly-diverse student populations, and government-sponsored programs in place to increase diversity in the private sector, are just some of the ways that the Bank will continue to brand itself as an employer of choice for diverse talent looking for a stable, growth-potential career.

The Bank will also continue to evaluate its career pathing process to determine where enhancements can be made and will also review its employment program to help identify factors that are contributing to the increasing trend of women and diverse employee turnover.

Board of Directors

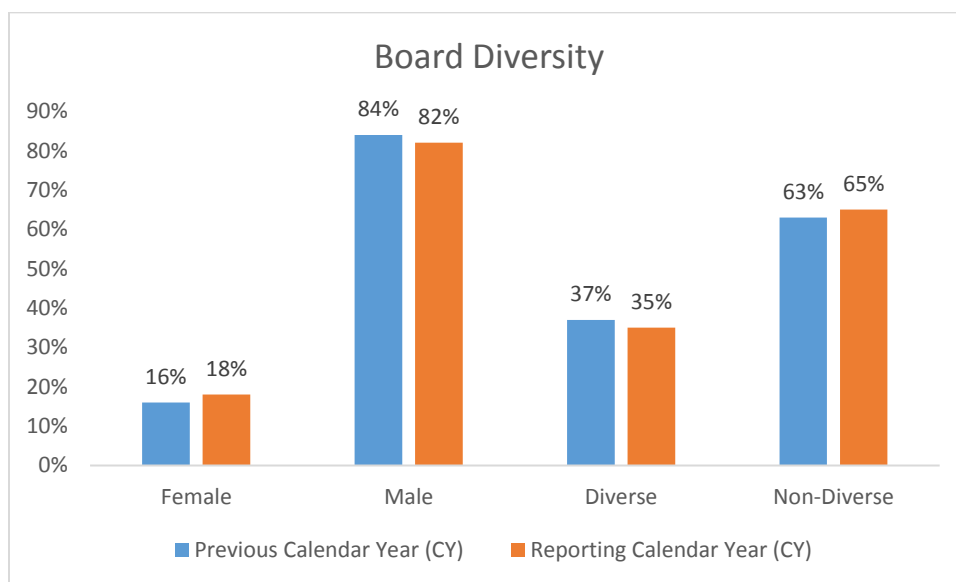
The FHLBNY's Board recognize that diversity at the Board level strengthens the Bank's ability to respond to member needs and adjust as needed to a rapidly changing environment. As with other aspects of the FHLBNY's operations, defining, maintaining, and increasing diversity directly impacts individuals and requires careful thought and implementation.

The FHLBNY's Board is also aware that the FHFA's Minority and Women Inclusion regulation requires each FHLB to (1) annually request each member of the FHLB's Boards provide, on a voluntary basis, self-identification of his or her Equal Employment Opportunity status information as well as (2) describe

outreach activities and strategies related to promoting diversity in nominating or soliciting nominees for positions on the Boards.

Board Diversity – §1223.23(b)(10)(i)

Data pertaining to the composition of the Board for the 2018 reporting period was collected through questionnaires, which did not contain any requests for self-identification. There were seventeen Directors serving on the FHLBNY’s Board as of year-end 2018; responses were received from all sitting Directors. Based on data contained in the received responses, eleven of these Directors identified as White men; two identified as White women; one identified as a Black or African American man; two identified as Hispanic or Latin(x) men; and one identified as a Hispanic or Latin(x) woman. This information is summarized in the below table. The table does not by its nature reflect two Directors who left the Board earlier in 2018, both of whom were observed to be men, one of whom was observed to be Black or African American and the other White. The vacancies arising from their departures were not filled during the course of the year.



Outreach Activities and Strategies - §1223.23(b)(10)(ii)

The FHLBNY encourages its members to consider diversity in nominating and electing qualified individuals to member and independent directorship positions. For example, in its 2018 Director Election Announcement Package sent to eligible members on June 29, 2018, this message appeared:

“The Critical Importance of a Diverse Board

The FHLBNY’s Board of Directors consists of a talented group of dedicated individuals that benefits from, among other things, demographic (including gender and racial) diversity, and we expect that this will continue in the future. As you consider potential nominations for Member Directorships and give thought to persons who might be interested in Independent Directorships, please keep diversity in mind. Your participation in this year’s Director Election process is greatly appreciated, and will help continue to keep the Board and the FHLBNY diverse – and strong.”

Outcome Analysis - §1223.23(b)(24)

With respect to the 2018 Independent Director Election process, the FHLBNY received for consideration before the application deadline eight applications to fill two open positions. Four of the applications were from persons observed to be women (including one incumbent Director), and the other four applications were from persons observed to be men (including one incumbent Director). Based on the Corporate Governance and External Affairs Committee's recommendation, after interviews with certain of the candidates and consultation with the Board's Affordable Housing Advisory Council, the Board nominated one incumbent male candidate and one male candidate new to the Board to be the two nominees for placement on the ballot for the two Independent Directorships to be filled for terms beginning on January 1, 2019. Both nominees were elected by the FHLBNY's membership.

Two Director vacancies arising during the year were filled after interviews by the Board for service beginning January 1, 2019 by two persons observed to be White males.

Future Strategy - §1223.23(b)(25)

The FHLBNY's Board will continue to keep diversity as one of the key factors used to help determine who will best serve the current and the future interests of the FHLBNY and the FHLBNY's stakeholders through service as a Director. To further this, one process improvement will be to use an outside consultant on an ongoing basis, among other networks, to help establish and maintain a pool of potential candidates who could serve as Independent Directors. These persons could be used either for placement on the election ballot or to fill vacancies. Another process improvement is additional outreach to FHLBNY members -- the constituents who nominate persons in connection with, and vote in, the Member Director elections -- prior to the start of the election season reminding them of the importance of diversity.

Supplier Diversity

The Bank is committed to establishing strong relationships with our business partners and actively promote opportunities for certified MWDOBs. We see diversity as a competitive strength that helps us leverage our differences to be the best. Partnering with MWDOBs helps us to grow our pool of suppliers, provide opportunities to diverse businesses, and to fulfill our customers' needs and expectations.

In 2018, the Bank continued its efforts to partner with existing and newly-identified MWDOBs and internal stakeholders to help raise awareness about the Bank's commitment and efforts to diversity and inclusion, and to execute on the Board-approved Diversity and Inclusion Procurement Program ("Procurement Program").

The FHLBNY Procurement Program promotes MWDOB inclusion by:

- Providing governance and framework for the Procurement Program;
- Identifying and educating potential MWDOBs to increase our pool of vendors to select from;
- Promoting an internal culture and education that embraces collaboration with MWDOBs and helps ensure a level playing field to all potential bidders;
- Identifying opportunities for MWDOBs to compete for FHLBNY business on an equal basis; and
- Partnering with organizations to help increase knowledge on diversity and inclusion practices, outreach pathways, and opportunities.

Number of Contracts

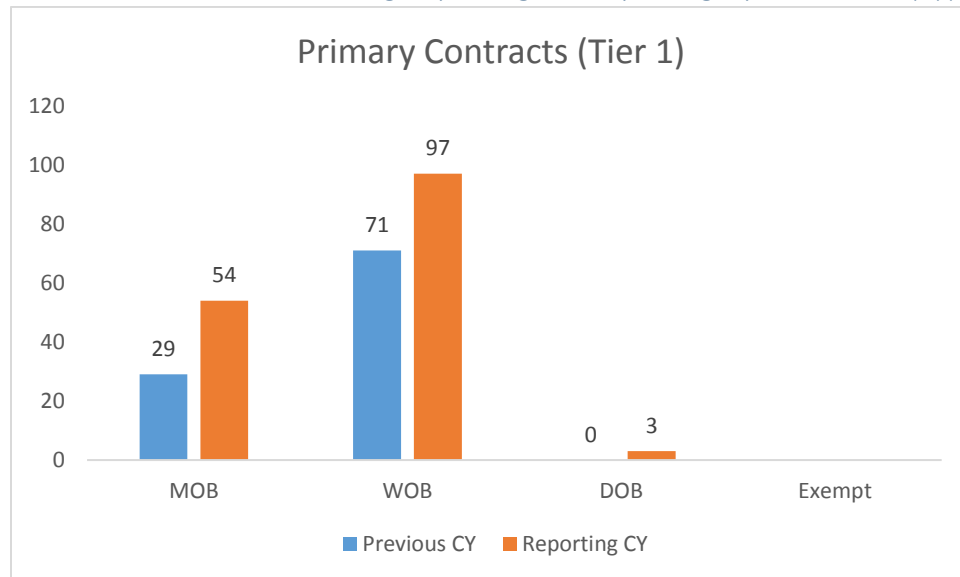
With the implementation of the Bank's Vendor Management Program (“VM Program”) and automated system in 2016, the Bank enhanced its pre-procurement processes, and as a result, contracts with vendors are classified as relationships. As such, reporting on contracts with MWDOB’s post 2016 is based on all relationships that were reviewed and approved as part of the VM Program.

In 2018, the Bank entered into 477 relationships with all vendors. Of those relationships, 323 were awarded to non-diverse vendors, and 154 were awarded to MWDOBs for the purchase of goods and services. In 2017, the Bank entered into 400 relationships with all vendors. The total relationships with MWDOBs increased from 94 in 2017 to 154 in 2018.

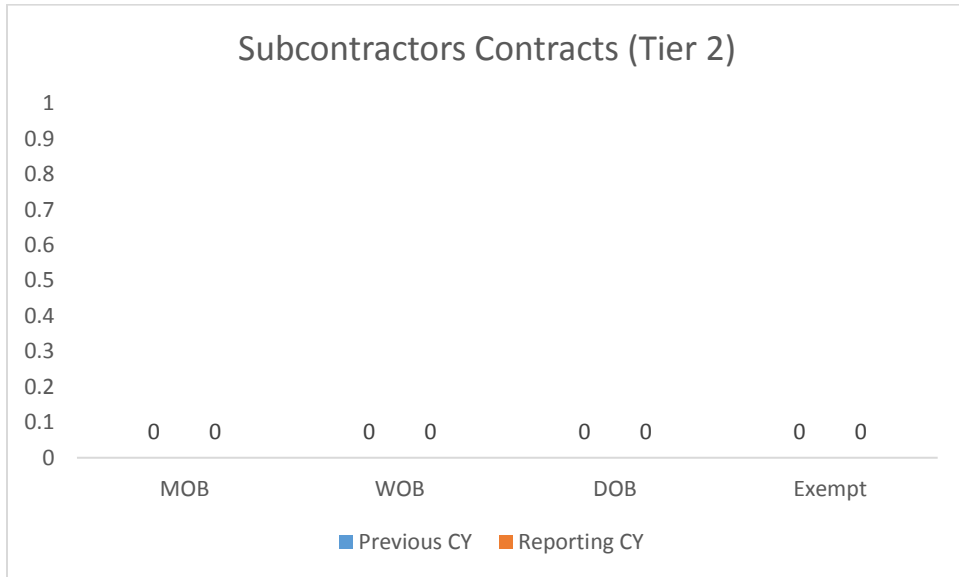
Total Number of Contracts – §1223.23(b)(14)

Year	Total Number of Contracts in Place at Beginning of Reporting Year	Total Number of Contracts Entered into During Reporting Year
2017	284	400
2018	466	477

Number of Contracts Entered Into During Reporting Year by Category – §1223.23(b)(16)



The Bank currently promotes Tier 2 contracting within the “Terms and Conditions” section of contracts with vendors, and currently does not track relationships with Tier 2 vendors.

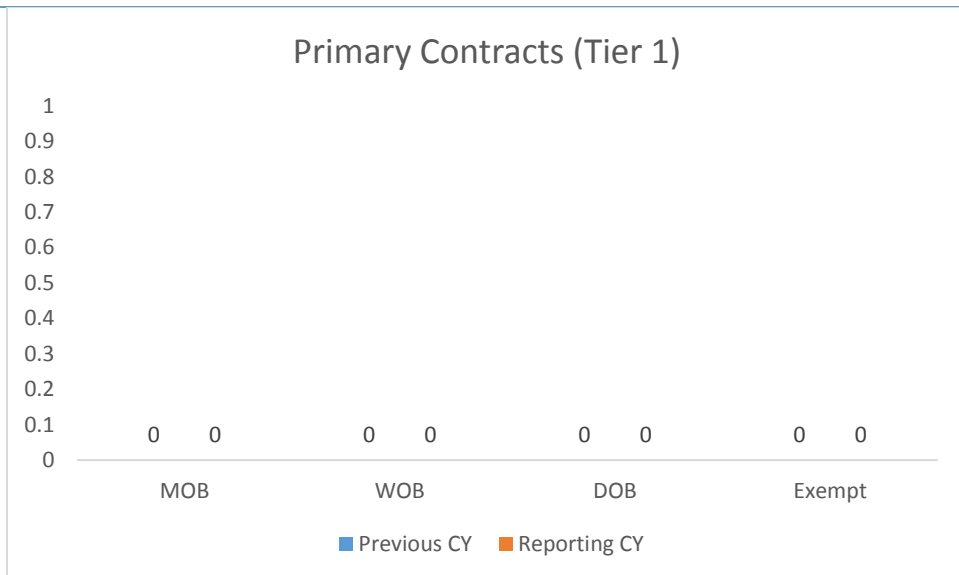


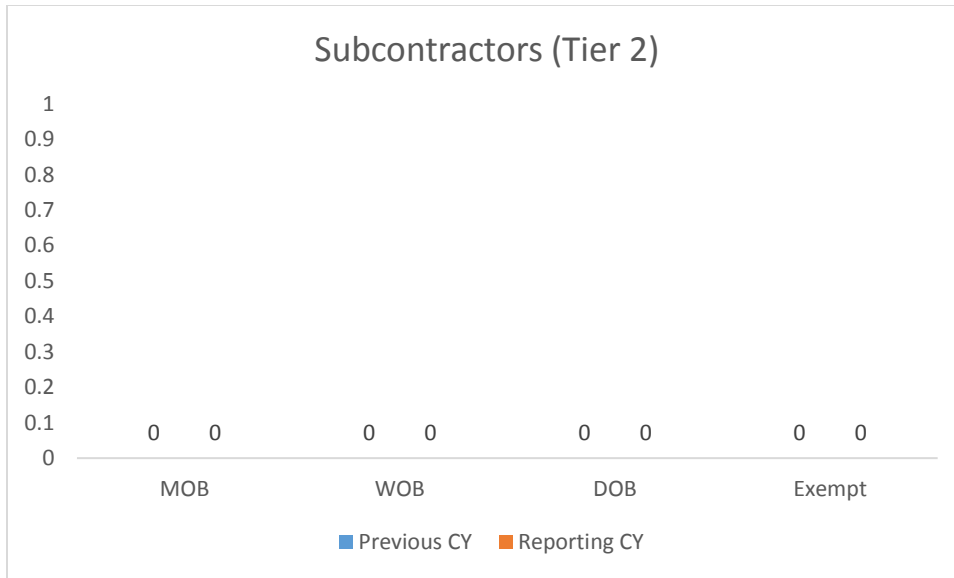
Amount Paid for Contracts

The Bank currently reports on relationships entered into with vendors and total spend and does not currently have the capability to track amount paid for contracts. In 2019, the Bank will identify a system/solution to obtain this data.

Total Amount Paid – §1223.23(b)(15)

Year	Total Amount Paid for Contracts in Place at Beginning of Reporting Year	Total Amount Paid for Contracts Entered into During Reporting Year





Annual Spend

The Bank’s total annual spend for 2018 was approximately \$63.42 million; an increase of approximately \$9.22 million from the 2017 spend of \$54.19 million and the 2016 spend of \$31.67 million. This increase is largely due to cost related to the design and construction efforts for the New Jersey office and an increase of rent and operating expense.

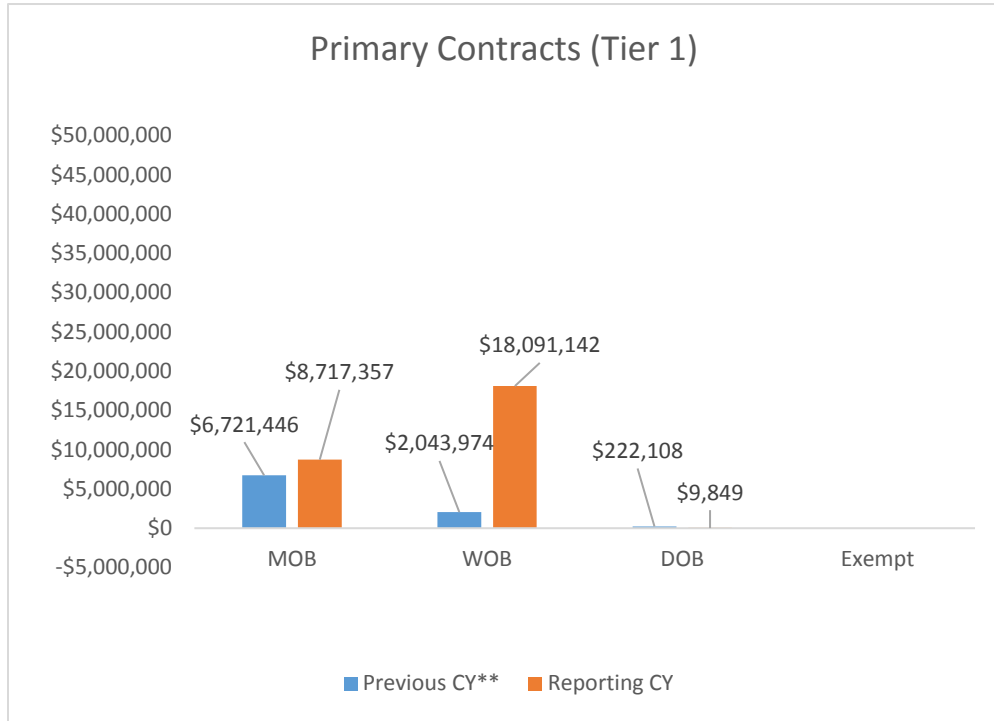
The total spend with MWDOB’s for 2018 was \$26.82 million. This was an increase of \$17.83 million from 2017 spend amounts, and an \$18.88 million increase from 2016 spend amounts.

Diverse Spend with Non-Diverse-Owned Businesses – §1223.23(b)(18)

Year	Spend
2017	\$45,200,389*
2018	\$36,597,383

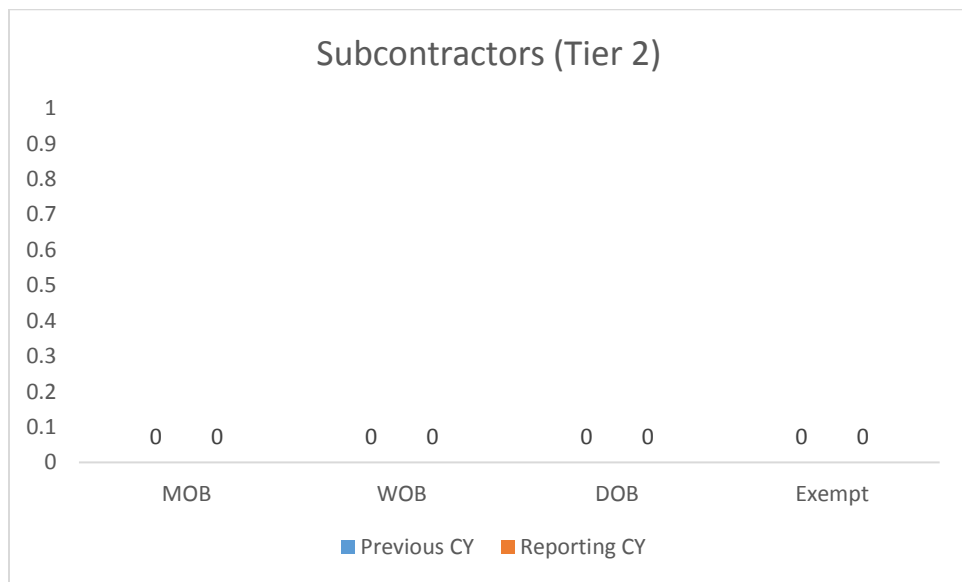
*Adjusted 2017 amount to reflect a reduction in non-diverse spend in the amount \$1.05 MM.

Annual Spend by Category – §1223.23(b)(19)



**Adjusted 2017 amounts to reflect an increase in diverse spend in the amount of \$827,486 for MOB and \$223,437 for WOB.

The Bank currently promotes Tier 2 contracting within the “Terms and Conditions” section of contracts with vendors and currently does not track spend with Tier 2 vendors. In 2019, the Bank will explore ways to track Tier 2 relationships or spend in the future.



Outreach - §1223.23(b)(13) and §1223.23(b)(23)

In 2018, the Bank continued to execute on its Procurement Program to help solicit or advertise at events for MWDOBs to offer proposals or bids to enter into business. Specifically, the Bank engaged in activities that included internal education and outreach, vendor opportunities, and networking events and partnerships with local and regional organizations.

Internal Education and Outreach

The Bank continued its education and outreach efforts to (1) educate contract owners on the Bank's procurement and competitive bid process, and inclusion efforts to increase awareness of MWDOBs, and, (2) arrange meet and greet sessions between MWDOBs and contract owners to help establish relationships.

Internal Education and Outreach efforts included MWDOB suppliers that provide:

- Employee Background Screening;
- Annual Compensation Benchmarking;
- IBM support and resellers;
- Oracle support and resellers;
- Model Validation and Risk Consulting services;
- Construction related opportunities in New Jersey for branding, commissioning, and inspections; and
- Consulting Services related to the Bank's Technology Strategy.

Vendor Opportunities, Networking, and Partnerships

The Bank continued its commitment to providing MWDOBs with opportunities as evident by the number of bid opportunities that increased from 192 in 2017 to 194 in 2018. The relationships awarded to MWDOBs increased from 94 in 2017 to 154 in 2018.

In addition, the Bank continued to promote MWDOB activities and its brand among the diverse vendor community by attending expositions and networking events, partnering with diverse councils and organizations, and updating the Bank's website and vendor portal.

As part of the 2018 activities, the Bank attended and hosted quarterly meetings with the [REDACTED] [REDACTED] to discuss various procurement topics. In addition:

- In 2018 the Bank had an employee who served as a Board of Director for the [REDACTED] [REDACTED] and served as the Chairperson for the Supplier Diversity Committee.
- In April, partnered with the [REDACTED] to host and participate in the [REDACTED] [REDACTED] panel discussion regarding procurement practices. The Bank's Director of Diversity and Inclusion served as a panel member and helped to broadcast the Bank's presence and commitment to diversity and inclusion to the vendors in attendance.
- In May, the Bank attended the [REDACTED] [REDACTED]

██████████ exposition. Bank representatives met with the President of the ██████████ ██████████ to discuss the potential benefits of membership with the council, and to understand how the organization helps to educate and screen diverse vendors for the benefit of its member.

- In July, the Bank hosted the ██████████ members at its New York office to discuss the potential benefits of membership with their organization, and to understand how the organization helps to educate and screen women owned vendors for the benefit of its member.
- In August, the Bank attended the 2018 ██████████ ██████████ ██████████, and conducted vendor interviews and provided registration information including the web-link to potential MWDOBs.
- In November, the Bank attended the 2018 ██████████ event. The event is organized by the ██████████, and the Bank provided information on its D&I Procurement Program to help identify disabled owned business for future opportunities. Also, the Bank co-sponsored the ██████████, and advertised its D&I Program in their Annual Souvenir Journal.

D&I Portal

The Bank updated content and reformatted its D&I Procurement webpage for ease of use. The Bank also partnered with ██████████ to migrate their portal to a new platform, and provided training to 17 employees to help promote the use of the Bank’s database of diverse vendors. The Bank continues to welcome vendor solicitations on its diversity page on its website at <http://www.fhlbny.com/> and diverse vendors will be directed to the ██████████ portal for registration as an MWDOB vendor.

The Bank incorporated its commitment to MWDOBs in the standard company description and has enhanced Supplier Questions and/or Complaints process on the Bank’s webpage.

Outreach Activity	Partnering Organizations/Government Offices
██████████ ██████████ Quarterly Board Meetings	██████████ ██████████
██████████ ██████████	██████████ ██████████
██████████ ██████████ Education Session with ██████████	██████████ ██████████
██████████ ██████████ Education Session with ██████████	██████████ ██████████
2018 ██████████	██████████ ██████████
2018 ██████████ Event	██████████ ██████████

Outcome Analysis - §1223.23(b)(24)

Objective: To increase the number of active MWDOBs and spend with MWDOBs over a three period.

In 2018, the Bank had 1,151 active vendors and recorded expenditure with 480 vendors, of which 51 were MWDOBs.

The Bank had success in outreach and networking events in 2018 including:

- Increased spend with new and existing vendors to help meet and exceed the aspirational targets for spend; MWDOB spend for 2018 accounted for 42% of overall spend.
- Identifying and providing opportunities for MWDOB vendors to bid on Bank business including 194 bid opportunities to MWDOBs, of which 154 (32%) relationships were awarded to MWDOBs
- Outreach events and sourcing through networks such as [REDACTED] and [REDACTED] provided opportunities for diverse vendors to bid on Bank opportunities in:
 - Real estate (branding, Commissioning, Inspections, and general contracting services;
 - Information Technology Strategic Planning;
 - Information Technology Infrastructure (Multi-Factor, Oracle Maintenance, Business Intelligence initiatives); and
 - Model Validation.

Future Strategy - §1223.23(b)(25)

The Bank strives to enhance and maintain a strong foundation of the business contracting and procurement activities that are consistent with regulatory requirements. The Bank's goal continues to be the full integration of diverse suppliers into the Bank's business practices, and will continue to enhance systems and processes to enhance outreach, opportunities, and reporting.

The procurement team continues to partner with management, service providers, other FHLB's to increase its knowledge of diversity practices, its outreach, and overall spend activities with MWDOB's. In 2019 the Bank will continue in its efforts to identify opportunities at the local and regional levels for interactions with MWDOBs, specifically disabled owned businesses, and with our internal systems to allow for enhanced reporting on spend and outreach activities. In addition, the Bank will be looking into identifying ways to capture, track, and report Tier 2 and the amounts paid for contracts.

Other initiatives that will be part of the 2019 Procurement Program are:

- Enhance sourcing of diverse suppliers for technology related services and products since a significant percentage of the Bank's overall spend is in technology.
- Continue to enhance the scrutiny of bids for goods and services to help ensure that the Bank secures multiple bids and obtains opportunities to bid from MWDOBs;
- Continue to expand MWDOB Outreach and Education and execute on the Procurement Program to meet or exceed the Bank's approved Aspirational Targets for diverse spend and active vendors (2019-2021); and
- Engage local and regional organization for partnerships to help enhance the current Procurement Program.

Financial Transactions

The FHLBNY's Capital Markets Group is committed to providing governance, outreach, education, and opportunities to Minority, Women, and Disabled Owned Broker/Dealers in the area of Capital Markets to include debt issuance, asset purchases and consulting. The Capital Markets objectives are to:

- Help to ensure standards and processes are published and available to all stakeholders (*"Governance"*)
- Increase the pool of approved MWDOBs (*"Outreach"*)
- Educate MWDOBs on the competitive bid process, MWDOB inclusion efforts and the Bank's business needs (*"Education"*)
- Provide for and attempt to increase opportunities for MWDOBs to compete for Bank business (*"Opportunities"*)

Strategies, Initiatives, and Activities - §1223.23(b)(12)(ii)

A provision addressing the strategies, initiatives, and activities that the regulated entity was undertaken in 2018 to evaluate the regulated entity's processes for identifying, considering, and selecting MWDOBs Broker/Dealer to participate in financial transactions. The evaluation shall include an assessment of the regulated entity's internal policies and practices that may have presented unique challenges to MWDOBs Broker/Dealer participation in financial transactions of the regulated entity.

The Bank continued its fervent commitment to governance, education, outreach and offering opportunities to the MWDOB Broker/Dealers. In terms of governance, the Bank initiated a Capital Markets Group meeting to stress the group's desire to consider how the MWDOB Broker/Dealers might be involved in a transaction and created a procedure adhering to the Aspirational Practices created by the Federal Home Loan Bank System OMWI Council Capital Market Sub-group. The Bank also integrated the MWDOB Broker/Dealer plan into the Bank's 3-year Strategic Plan.

The Bank has a long been a pioneer in the approval of MWDOBs as Broker/Dealers since the Bank was very receptive to engaging these firms despite capital levels far below the larger firms since 2011. The Bank works with the Office of Finance ("OF") to understand the universe of MWDOB Broker/Dealers in the marketplace, particularly those already approved to transact Consolidated Obligation issuance with the Federal Home Loan Bank System ("FHLB System"). For the current universe of sixteen MWDOBs Broker/Dealer approved by the Office of Finance, the Bank has approved fifteen. The sixteenth, ██████████ ██████████s, though visited by the Bank and receiving constant communications, has not expressed any interest in engaging with the Bank on the sale of assets.

The Bank is monitoring the progress of ██████████, ██████████, ██████████ ██████████ and ██████████ ██████████ going through the Office of Finance's credit approval process. The Bank has had a number of conversations and visits with ██████████ and ██████████ and is ready to approve them for trading shortly after their approval by the OF.

Though the Bank would prefer the MWDOB Broker/Dealers to be approved by the OF, it is not a prerequisite for an approval as the Bank does not have any specific internal procedures preventing the MWDOB from being an approved Broker/Dealer with the Bank.

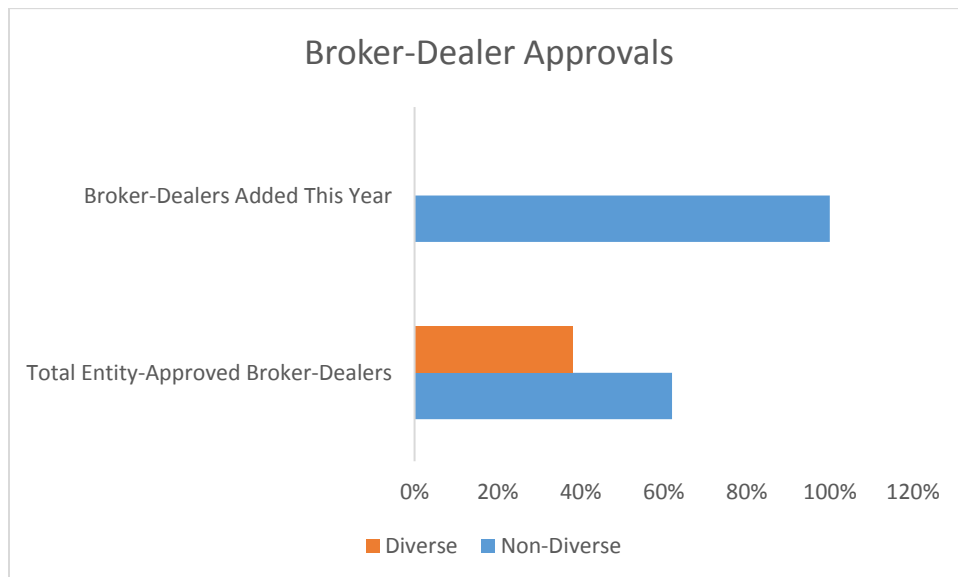
Liabilities

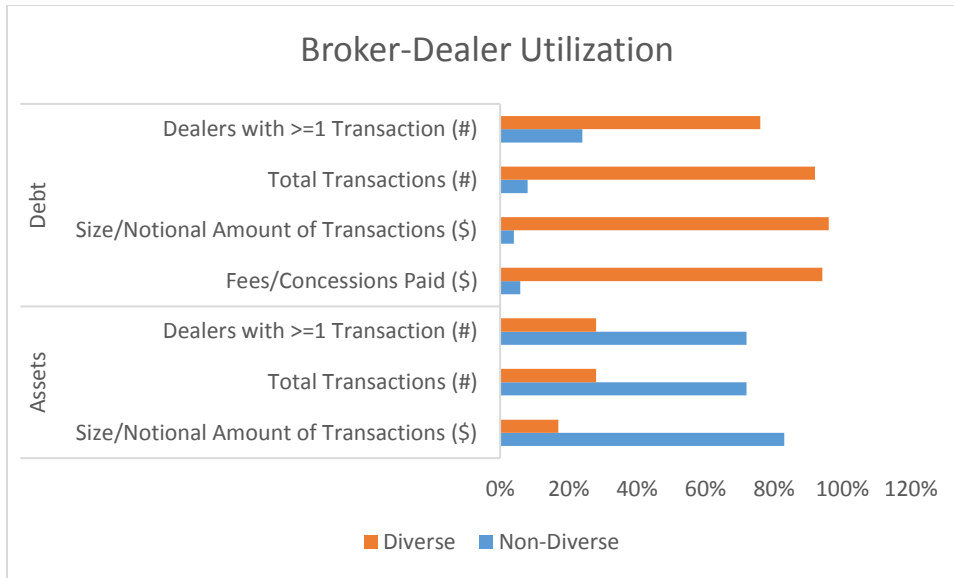
During 2018, the Bank entered into 131 transactions of negotiated bond and discount note issuance with eleven MWDOB Broker/Dealer dealers, up from nine dealers and 119 transactions in 2017. The total discretionary Consolidated Obligation issuance in 2018 increased to \$9.6 billion from \$7.8 billion in 2017, though fees, based on the type of issuance program, fell in 2018. In 2016, the Bank entered into 114 transactions with six of the eleven MWDOB Broker/Dealers for a total of \$5.4 billion and \$456,000 in fees.

Assets

Bond investments increased [REDACTED] 2017's eight trades with one MWDOB Broker/Dealer for \$690 million. For 2016, the Bank purchased \$168.2 million from two counterparties in six trades.

Mortgage Backed Securities investment activity decreased as the Bank forwent purchasing bonds associated with LIBOR thereby decreasing the number of available trade opportunities. 2018's activity included sixteen trades with six MWDOB Broker/Dealers for a total of \$132 million. 2017's activity included thirty trades with eight MWDOB Broker/Dealers for \$352 million. In 2016, there were 19 trades with six counterparties for a total of \$185 million.





Outreach - §1223.23(b)(13) and §1223.23(b)(23)

The Bank continued to build on previous years’ successful outreach through constant reinforcement of the commitment to allow access to MWDOB Broker/Dealers into our daily Capital Markets activities. The Bank maintained its practice of giving MWDOB Broker/Dealers access to its day-to-day funding and investment needs, and sought ways to provide the MWDOB Broker/Dealers additional information and tools to allow them to potentially grow their businesses through the Bank. The Bank reinforced contact with MWDOB Broker/Dealers through phone calls, emails, Bloomberg messages, a conference panel and in-office visits and outings with several MWDOB Broker/Dealers and lobbying outside firms to include MWDOB Broker/Dealers in a number of deals. As co-chair of the Capital Markets Sub-group of the FHLB System OMWI Council, the Bank initiated, developed, administered and analyzed a survey concerning MWDOB Broker/Dealer’s suggestions on optimal methods of communication, education and outreach as well as general opinions on how the System was doing and suggestions on any areas of improvement. The suggestions and responses were presented to the Sub-group for their use. The Bank was already practicing the suggested improvements.

The Bank continued to meet with these firms through presentations, charitable events, receptions, personal relationships, and through their market presence. The Bank also participated on a Government-Sponsored Enterprise panel for the [REDACTED] on September 12, 2018 and the Bank organized the annual Diverse Dealer Reception on September 6, 2018.

Outreach Activity	Partnering Organizations/Government Offices
Daily Bloomberg Messages concerning the Bank’s funding needs.	All 16 MWDOB Broker/Dealers approved by the Office of Finance
Visits to MWDOB Broker/Dealer Firms	[REDACTED]
[REDACTED] : 9/12/18	[REDACTED]

MBS Discussions and Market Color by Phone or Visits to the Bank	Fourteen of the sixteen OF-approved dealers and [REDACTED]
Accompanying MWDOB Broker/Dealer on Investor Calls	[REDACTED]
MWDOB Broker/Dealer Survey	All Sixteen OF-Approved Firms
Diverse Dealer Reception	All Sixteen OF-Approved Firms & [REDACTED]. Only [REDACTED] did not attend.
Discussion concerning Consulting Engagements	[REDACTED]
Adding a Liquidity Trading Portfolio Trading Platform	[REDACTED] (Woman-owned firm)

Outcome Analysis - §1223.23(b)(24)

Objective: The Bank’s aspirational goal is to increase the Historical Yearly Average Activity (“HYAA”) for 2018.

Activity	HYAA	2018 Activity
Visits / Meetings	7	11
Event Attendance (e.g. Dealer Meeting, [REDACTED])	2	2
Credit Approvals for asset purchases/sales as a percentage of available MWDOB broker/dealer counterparties	94%	94%
Outreach/Contract on a daily basis	100%	100%

Asset and Liability Touchpoints with MWDOB Broker/Dealer Firms

Activity	HYAA	2018 Activity
Discount Notes	16%	5.9% (\$8.4 billion)
Negotiated Bonds	2.8%	1.1% (\$1.2 billion)
MBS or HFA Securities	3.8%	3.71% (\$130 million)
Percentage of Deal Participation	65%	38%
Non-MBS Purchases (e.g. Debentures, US Treasury)	57.1%	23.7% (\$1.5 billion)

Objective: To continue to perform outreach, education and opportunities for the MWDOB Broker/Dealers in terms of Financial Transactions.

The Bank continues to work with all of the MWDOB Broker/Dealer firms to continually look for ways to help the MWDOBs Broker/Dealer and the success is contained in the positive responses received in the survey and the numerous “Thank Yous” the Bank receives from all the firms whether on the phone or in person for really having a positive impact on their businesses.

The challenges faced by the Bank include pursuing firms that are not engaging or participating in the Bank’s desired product line, due to lower capital levels, the inability to hold securities in inventory and the universe of available counterparties is small.

The Bank, via the FHLB System OMWI Council Capital Markets Sub-group, continues to find ways to integrate the MWDOB Broker/Dealers in all of the Debt Issuance Programs and looks for opportunities outside of the direct trades as the Bank is in the process of bringing on a Trading Platform from a woman-owned firm.

Future Strategy - §1223.23(b)(25)

The Bank’s plans are to continue its successful program of integrating the MWDOBs Broker/Dealer in its planning and day-to-day activity. The Bank will continue to work to help grow the MWDOB Broker/Dealer’s business in the areas of Debt Issuance and Asset purchases by alerting the firms to any new Bank products or strategies and working with outside firms and the FHLB System OMWI Sub-group to put the MWDOB Broker/Dealers as possible on Financial Transactions.

The Bank has been invited to participate on two panels, one from [REDACTED] and one from [REDACTED] at the upcoming [REDACTED]. The Bank is working more often with the MWDOB Broker/Dealers to help educate their clients on the FHLB System in order to create more investor interest and potentially lead to more Financial Transactions.

There are four new MWDOB Broker/Dealers potentially up for approval by the Office of Finance and the Bank will approve any of these new counterparties, as appropriate.

Housing and Community Investment

In early 2018 the FHFA requested that the Bank describe its intentional activities that incorporate concepts from the Minority & Women Inclusion Final Rule into the operations of its housing programs. This request prompted the members of the Housing and Community Investment team (“H&CI Team”) to investigate various avenues for better understanding and improving the programs’ support for diversity and inclusion.

One consistent demonstration of the Bank’s commitment to diversity and inclusion is the process for identifying and selecting members of its Affordable Housing Advisory Council (“AHAC”). Three of the AHAC seats were vacant at the end of 2018, so during the fall the H&CI Team opened a broad nomination process, and encouraged nominations from key constituencies. In particular, the H&CI Team sought to bolster the AHAC’s representation of housing issues on Long Island and southern New Jersey, as well as bringing in advocates for public housing and Habitat for Humanity. The outreach approach successfully generated over a dozen nominations, of which the H&CI Team interviewed five — all women. The AHAC that will convene in 2019 will truly speak to the diverse needs felt by the district’s communities.

Outreach - §1223.23(b)(12)(i)

The Bank is actively exploring whether its housing and community development programs can do more to advance the overall diversity and inclusion objectives. It has a record of success in this regard: For the 2018 Affordable Housing Program application round, the Bank added a scoring category to prioritize projects providing supportive housing to disabled populations. This followed extensive research and outreach with stakeholders during 2017. In the 2018 round, over one-third of applications (58) requested points for this category, and one-half (26) of projects receiving a commitment are supportive housing projects.

To explore whether other similar approaches could be meaningful, at the August, 2018 meeting of the AHAC, members discussed their experiences with various state and local funding agencies that require or incentivize development teams to include firms that are certified as Minority- or Women-owned Business Enterprises (“MWBEs”). Many of the members work for organizations that have had to hire certified MWBEs, or they have otherwise gained insights into these kinds of funding agreements and their impact on projects and on firms that may otherwise be shut out of valuable business opportunities.

Following the productive conversation, the H&CI Team distributed a brief survey to capture the collective insights in a systematic way, and then they discussed individually with some of the members who volunteered to elaborate on their survey responses and brainstorm possible Bank initiatives on the issue. This memo describes the current state of the H&CI Team’s knowledge and proposes a way forward for the coming year.

Outcome Analysis - §1223.23(b)(24)

The district’s housing finance agencies, [REDACTED], and the other government agencies that are often the primary funders for projects submitted to the Bank’s Affordable Housing Program (“AHP”) all encourage developers to hire certified MWBEs. The states and some local entities maintain their own certification processes, some of which do not accept other agencies’ certifications.

Eight AHAC members completed the online survey. Of the eight respondents, seven said they had experience conducting a procurement process that takes MWBE participation into consideration, and six have experience submitting a bid or proposal to such a process.

In general, the respondents expressed negative opinions about the larger funders’ existing programs. The survey asked: In your experience, do these policies impact developers’ procurement practices, encouraging greater MWBE participation? No AHAC member chose the response for “strongly impact”; seven members chose “somewhat impact”; and one chose “no impact.”

The survey also asked respondents to choose one or more descriptions of the states’ certification processes. None of the respondents selected either “simple and easy” or “fair in resolving questions or disputes.” Instead, five chose “longer than it needs to be,” and three chose “more costly than it needs to be,” though some of these responses could be from the same individuals.

In follow-up conversations, some AHAC members said that in their experience, the certification processes can be burdensome or even invasive for small firms, and if these firms already have established relationships with developers and contractors, then they can perceive certification as only a burden,

without any benefits. The discussions to date have not captured the experience of newer firms, and it is possible they might have a different cost-benefit calculus. Still, it seems the AHAC members would advise against interpreting the state programs as a true reflection of the universe of firms that could be considered MWBEs.

In another question in the survey, respondents were asked to choose which of the following statements was closer to their opinion:

- The Bank should find a way to do better than the state agencies at identifying MWBEs, since this is such an important issue. 3 responses
- The challenges of the state certification processes show that this issue is too much trouble, so the AHP should focus on other initiatives. 5 responses

The existing certification processes all involve many government agencies with the mandate and capacity to administer this kind of operation. The challenges highlighted by the AHAC members suggest the Bank's AHP might not be in a strong position to achieve better outcomes if it takes the same approach as the state and local agencies.

[Future Strategy - §1223.23\(b\)\(25\)](#)

Based on the feedback from the AHAC, the Bank does not plan to make program modifications for the AHP for the 2019 application round regarding MWBE issues captured in the survey responses. However, this will be a significant component of the wider outreach plan for the year. Activities will include:

- Conversations with developers and AHP projects sponsors to get a better baseline understanding of the extent to which they hire MWBEs for their project teams, and whether those firms are certified or not;
- Meetings with relevant members from state housing finance agencies about the available evidence regarding the impact of their incentives on the business opportunities for MWBEs, and about their experience conducting outreach on this issue; and
- Introductions to trade groups or individual firms to learn more about the experience of subcontractors in various fields relevant to affordable housing construction and rehabilitation.

One member of the AHAC suggested coordinating an industry conversation, incorporating both the agencies and developers. This is an idea that the Bank will pursue — the H&CI Team is eager to play a convening role on important issues to deepen understanding and strengthen the profile of the AHP in the view of industry partners. Among the expectations for this kind of event, the H&CI Team wants to learn about successful approaches to improving MWBE opportunities. In short, is the affordable housing industry keeping pace with best practices in other similar industries, and how can funders use their leverage to make a meaningful difference?

Equal Opportunity Complaints

Employment Discrimination - §1223.23(b)(21) and §1223.23(b)(22)



Basis	Process	External		Internal	Count of Complaints
		Result	Amount Paid to Claimants	Resolved through Internal Process?	

Contract Discrimination - §1223.23(b)(21) and §1223.23(b)(22)

There were no complaints of discrimination filed against the Bank by a current or potential supplier.

Basis	Process	External		Internal	Count of Complaints
		Result	Amount Paid to Claimants	Resolved through Internal Process?	

Other Reports/Plans – §1223.23(b)(2) and §1223.23(b)(11)

EEO-1 Employment Data - Performance Enhanced

10:00 AM
03/07/2019
Page 1 of 1

Effective as of Date 12/31/2018
Organization LE001 Federal Home Loan Bank of New York
Location 3

Job Categories	Number of Employees (Report employees in only one category)																Total Col A-N
	Race/Ethnicity																
	Hispanic or Latino		Non/Hispanic or Latino														
	Male	Female	Male						Female								
	A	B	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American or Alaska Native	Two or More races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American or Alaska Native	Two or More races	O		
		C	D	E	F	G	H	I	J	K	L	M	N				
1.1 Executive or Senior Level Officials and Managers	2	0	8	0	0	0	0	0	1	0	0	0	0	0	11		
1.2 First or Mid Level Officials and Managers	2	4	26	1	0	8	0	3	12	4	0	7	0	1	68		
2 Professionals	13	13	55	14	1	35	0	2	28	24	0	31	0	4	220		
3 Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4 Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
5 Administrative Support Workers	1	1	4	1	0	1	0	0	3	4	0	0	0	0	15		
6 Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
7 Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8 Laborers and Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9 Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	18	18	93	16	1	44	0	5	44	32	0	38	0	5	314		

Certification - §1223.23(a) and §1223.23(b)(20)



Appendix