



October 5, 2022

Sandra L. Thompson
FHFA Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, D.C. 20024

Re: **FHFA Initiative: FHLBank System at 100: Focusing on the Future**

Dear Director Thompson:

I write you today to highlight the importance of the Federal Home Loan Bank of New York and the importance of the Home Loan Bank System. NJBankers represents over 65 brick and mortar banks doing business in New Jersey. Our members provide critical financial services to New Jersey residents and businesses. The Federal Home Loan Bank of New York is a important partner in these endeavors.

The essential element is stability. As you know, The Federal Home Loan Bank System has 90 years of proven experience in providing stable and reliable liquidity to American financial institutions through all economic cycles. For nine decades, the Federal Home Loan Banks have played a vital role for their approximately 6,500 member institutions – comprised primarily of community banks, credit unions, insurance companies and Community Development Financial Institutions. By providing a stable source of funding to meet their members’ liquidity needs in any operating environment, the Federal Home Loan Banks help bring stability and equilibrium to the financial markets. While it may be reasonable to develop areas for future positioning of the system, these efforts **must** maintain as their focus with FHLBanks’ ability to continue to act on their mission and serve as a reliable liquidity provider for their members.

In my state, we are consistently faced with a shortage of affordable and mid-range housing options. Our partners at the FHLBNY help bridge this gap. FHLBanks provide liquidity to support housing finance and community investment in all credit environments. Since their inception, FHLBanks have been critical during times of crisis, stable during calm markets, and dependable during all economic cycles. The FHLBanks have a proven track record of providing competitive access to liquidity across all economic and credit cycles for the past 90 years. Our institutions’ partnership with the FHLBNY has similarly

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Steven M. Klein
First Vice Chairman
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Patrick L. Ryan
Second Vice Chairman
President & CEO
First Bank
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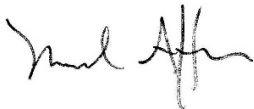
Michael P. Affuso, Esq.
President & CEO
New Jersey Bankers Association
Cranford, NJ

insured economic smoothing during troubled times and consistent access to credit for our customers.

The FHLBNY is a trusted partner to our member banks. The System's regional framework and cooperative structure not only creates a deeper local understanding at each FHLBank, but also creates a much closer connection between the FHLBanks and their members than that which may exist with other liquidity providers, enabling a more responsive and locally focused source of liquidity for members. As a privately capitalized and cooperatively owned entity, FHLBanks provide their members – approximately 6,500 banks, credit unions, insurance companies and CDFIs – with a reliable source of low-cost funding for housing finance, community lending and asset-liability management, as well as short- and long-term liquidity that meets members' needs.

While it is indeed laudable for all organizations to look to the future not to the past, we urge you to use the record of the FHLBanks as the yardstick of what can be done in the future to help fund the growing housing needs for a growing nation. We urge you to view their narrow focus on housing finance not as a weakness, but as a strength. We look forward to continuing the discussion with you on this important institution.

With Warm Regards,

A handwritten signature in black ink, appearing to read "Michael Affuso". The signature is fluid and cursive, with a prominent "M" and "A".

Michael Affuso
President and CEO