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Federal Housing Finance Agency
400 7th Street, SW
Washington, D.C. 20024

SUBJECT: Dime Community Bank Letter of Support for the Federal Home Loan Bank

To Whom It May Concern:

As CEO of Dime Community Bank, I am pleased to submit this letter in support to the Federal Home Loan Bank (FHLB).

For the past 90 years, the Federal Home Loan Bank System has helped provide stable and reliable liquidity to Dime and thousands of other American financial institutions through all economic cycles. FHLB's partnership is especially vital for community banks like Dime, providing a stable source of funding to meet their members' liquidity needs in any operating environment. It is our belief that any efforts to position the System for the future must retain the FHLBanks' ability to continue to act on their mission and serve as a reliable liquidity provider for their members.

The FHLBank 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. Without the FHLBanks, it would be more difficult for local lending institutions like Dime to provide credit and financial services for families, farms and businesses and credit would be tighter and more expensive.

The team at the Federal Home Loan Bank of New York (FHLBNY) is excellent and highly responsive to our needs as a community bank. Their staff and leadership are always available, and as outlined below we greatly value this collaborative partnership.

Residential Lending: Dime participates in the FHLB Homebuyer Dream Program. The program is for first time homebuyers with 80 % or less of the area median income in the county in which the household is purchasing the property. This program aligns perfectly with our goal to serve the low to moderate income borrowers in the Bank's assessment area. FHLB provides a grant that can be used for \$9,500 to assist with down payment and closing costs, plus there is an additional \$500 that can be used towards non-profit counseling agency costs. In the high-cost market of New York - coupled with the current rate environment, this program is of critical importance for aspiring homeowners.

Dime is also in the process of applying to sell loans to FHLBNY Mortgage Asset Program (MAP). This program will provide an additional investor to sell fixed rate loans to provide liquidity, and potentially provide sharper pricing, so we can offer our borrowers the best interest rate options – which is especially timely in the current rate environment.

Credit Products: FHLB provides a multitude of products with various terms and conditions that match the needs of member banks like Dime. The availability and flexibility of each product enhances the benefits that FHLB provides to its members. Advance options include various terms in order for Dime to help accomplish many of its strategic initiatives, including providing products in a hedging strategy, satisfying collateral requirements to a significant portion of the bank's Municipal Deposits through the MULOC program, and having the flexibility across various terms for many of the bank's short- and long-term funding needs. FHLB's systems are efficient and easy to navigate and utilize. Timely reporting across all products also allows institutions to always understand the additional liquidity available.

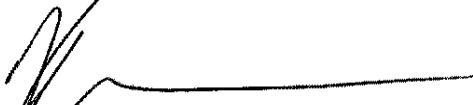
Community Development: FHLBNY is also a leading force for community development in New York. The Community Lending Program (CLP) program provides access to lower cost funding that helps enable banks do more community development lending and pass on lower rates to non-profit customers developing affordable housing. The Affordable Housing Program (AHP) is also a vital source of capital for new affordable housing projects across New York. FHLB staff and leadership are always available to banks and community groups to provide advice on the program's requirements. Just this past year, senior leaders from the FHLBNY participated in two meetings a Tribal Housing Authority on Long Island to discuss the AHP and provide guidance on a proposed bank-sponsored project to provide supportive housing.

Pandemic Recovery: Last but certainly not least, FHLBNY's Covid-19 Small Business Recovery Grant Program was truly invaluable to local businesses and non-profits. Prior to our recent merger, legacy Dime and BNB Bank both benefitted greatly from the program and helped channel \$400,000 in direct grants to small businesses and non-profits in New York City and Long Island. Over half of those grants were directly to "mom-and-pop" small businesses in communities like Flatbush, Washington Heights, and Hempstead. Over half of the grantees were also minority and/or women owned businesses.

\$150,000 was also directly provided to non-profits to help them deliver key services to the community during the height of the Pandemic. Grants included helping a non-profit organization working with foster-children to be able to procure PPE to be able to sustain direct services to a supportive housing provider in Brooklyn using the grant to help sustain health services for low-income seniors.

Again, it is our pleasure to provide this letter of support and please do not hesitate to contact me with any questions or to provide additional comments.

Sincerely,



Kevin M. O'Connor
Chief Executive Officer