

March 23, 2023

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

Dear Director Thompson:

The Board of Directors of the Federal Home Loan Bank of New York (“FHLBNY”) has the critical responsibility of overseeing this vital cooperative, a duty each of us is honored to hold, and one which all of us take seriously. We have been elected by the FHLBNY’s member-owners to serve as stewards of not only the cooperative, but the crucial liquidity mission of the Federal Home Loan Bank System. In our professional and personal lives, we see the broad impact of this liquidity mission in communities across our region and across the nation, and witness advances being used to expand housing opportunities, small business lending, and community and economic development. And as Directors, we are privy to the internal efforts that create and ensure the FHLBNY’s continued ability to execute on this liquidity mission in a safe and reliable manner. As the Federal Housing Finance Agency looks to develop recommendations resulting from its *FHLBank System at 100: Focusing on the Future* initiative, it is essential to ensure that nothing is done to disrupt, devalue or diminish this critical liquidity mission.

The importance of this mission has never been clearer than this month, when our nation was plunged into a financial panic driven by a crisis of confidence in the banking sector. As soon as the crisis took hold, local lenders across our District and across the country looked to their Home Loan Bank as a stable source of funding amid an unsettled market. And as they always have, the Federal Home Loan Banks answered the call – with record advance activity supported by record levels of debt issuance. The FHLBNY has continued to meet members’ need for liquidity in this challenging period, as it has in every operating environment since its founding 91 years ago. That it has met these unprecedented needs while still maintaining appropriate internal liquidity levels is a testament to the FHLBNY’s strategic preparedness and continued focus on ensuring the stability of its franchise. This ability to perform under even the most challenging conditions reflects not only the talent of the FHLBNY team (talent that the FHLBNY must be able to continue to attract, recruit, develop and retain given the critical role our cooperative performs), but also its commitment to the mission. The liquidity mission is foundational, and our

nation is supported and strengthened by the Federal Home Loan Banks' ability to execute on this mission in both calm markets and times of stress.

As FHLB NY Directors, we certainly welcome any opportunity to identify ways in which the execution of this mission can be enhanced; in fact, this is also a responsibility of our Board. In addition to focusing on the safety and soundness of our cooperative, we are also focused on its strategy. Our Board provides input throughout the year on the development of the FHLB NY's annual business plan, and is instrumental in the development of, and execution on, the institution's three-year Strategic Plan. And every year, the Board gathers for a Strategic Offsite in which we hold detailed discussions on the future of our cooperative and the System. Ours is not a ceremonial board, but one which requires significant commitment and engagement. By participating in wide-ranging monthly meetings at the committee and full board levels and by reading thousands of pages of associated materials, each FHLB NY Director develops a truly deep and detailed understanding of the critical importance of the Federal Home Loan Bank to our District and of the entire System to the nation.

Unfortunately, throughout the FHFA review process, the voices of external critics, who bring outside agendas but limited or no real working knowledge of the System's operations, have been elevated. We believe that this review – and its resulting recommendations – can benefit most from the insights from the actual users of the System: the members who access Home Loan Bank liquidity, and the community partners who benefit from the output of the execution of the liquidity mission, as well as from our affordable housing and community investment products. We also hope that the leadership of the FHLBanks will be invited to provide feedback on this effort; we note that no FHLBank president has been invited to speak at a Listening Session or roundtable, but are hopeful that their counsel will continue to be sought as the FHFA develops its recommendations.

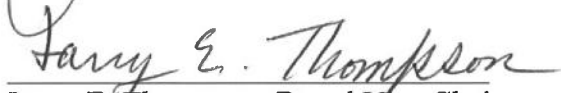
Again, we are supportive of the FHFA's efforts that focus on enhancing the Federal Home Loan Bank System's offerings, and that position the System to meet the needs of today and tomorrow. But we stress that these efforts must recognize that the liquidity mission is the foundational purpose of the FHLBanks, and executing on this mission is not only central to everything that the FHLBanks are able to do, but also vital to the stability of the nation's financial system.

We thank you for the opportunity to provide comment, and offer you our support as you embark on the final stage of this crucial task.

Sincerely,



John R. Buran, Board Chair



Larry E. Thompson, Board Vice Chair



Melba I. Acosta



Danelle M. Barrett



Thomas R. Cangemi

Thomas L. Hoy




David R. Huber




Thomas J. Kemly



Charles E. Kilbourne, III



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DeForest B. Soaries, Jr.



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