



## STANDBY LETTERS OF CREDIT

As a key partner in financing, the Federal Home Loan Bank of New York (FHLBNY), a highly-rated financial institution, issues standby Letters of Credit (LOCs) on behalf of its members to support liquidity, asset/liability management, and housing, community, and economic development activities.

### Highly Rated

#### Standby LOCs Issued by a Highly-Rated Entity

Obtain a guarantee of payment by a highly rated financial institution (the FHLBNY) to third parties in the event of a default of performance by the member. The FHLBNY is currently rated "Aa1" and "AA+" by Moody's and Standard & Poor's, respectively.\* These ratings are equivalent to those assigned to the U.S. Government.

#### WHY RATINGS MATTER

- **Moody's Aa1:** High-quality obligations with very low credit risk. Aa1 is the highest level within the Aa category, one notch below Aaa (highest rating).
- **S&P AA+:** Issuers with a very strong capacity to meet financial commitments. AA+ is the highest level within the AA category, one notch below AAA.

Both ratings indicate high-grade municipal credit quality and very low expected default risk.

The standby confirming LOC is an unsecured obligation of the FHLBNY. It is not insured or guaranteed by the FDIC, any other bank insurance fund, government agency, or by the U.S. government. The FHLBNY, as the confirming bank for this LOC, is required to file quarterly, annual, and other periodic reports with the SEC and those reports are available on the SEC's Edgar website. There can be no assurance that prior financial information is indicative of the FHLBNY's future financial performance.

#### Notes:

- LOCs require additional agreements. All credit product terms are subject to credit conditions. Please consult with the Member Services Desk.
- To maintain access to FHLBNY's products, programs, and services, members are required to complete and submit their Member Attestation Form by the requested deadline annually. In addition, throughout the year, members must promptly disclose to the FHLBNY any material adverse change events that may impact their financial condition.

\*The FHLBNY's rating does not apply to your transaction since the transaction is not rated by NRSROs. The FHLBNY is not required to advise you of a ratings change, but you may update the rating by checking with the FHLBNY, Moody's or Standard & Poor's.

### Operational Efficiencies

#### Collateralization

FHLBNY LOCs are collateralized instruments. Members can utilize whole-loan mortgages to collateralize the LOC instead of encumbering high-quality liquid assets such as securities or cash.

#### Prompt Payment in the Event of Default

If a default occurs and a LOC draw certificate is submitted, the FHLBNY will disburse payment no later than the close of business on the next business day following the FHLBNY's receipt of a valid draw certificate.

#### FHLBNY Standby LOCs may be used to support the following:

- ✓ Mortgage Revenue Bonds
- ✓ Community Development Bonds
- ✓ Certificates of Deposit
- ✓ Funds Promissory Notes
- ✓ Construction Funding for Elderly Housing Complexes
- ✓ Rental Achievement Guarantees
- ✓ Credit Enhancement for CRA or Community Support
- ✓ IDA Financing
- ✓ Interest Rate Swaps
- ✓ Lease Agreements

### CONTACT US TO DISCUSS HOW THE FHLBNY LOC MAY BENEFIT YOUR BOTTOM LINE:

Member Services Desk: (212) 441-6600 | Relationship Managers: (212) 441-6700

The information provided by the Federal Home Loan Bank of New York (FHLBNY) in this communication is set forth for informational purposes only. The information should not be construed as an opinion, recommendation or solicitation regarding the use of any financial strategy and/or the purchase or sale of any financial instrument. All customers are advised to conduct their own independent due diligence before making any financial decisions. Please note that the past performance of any FHLBNY service or product should not be viewed as a guarantee of future results. Also, the information presented here and/or the services or products provided by the FHLBNY may change at any time without notice.

UPDATED: March 2026