Report on Collateral Pledged to Federal Home Loan Banks

Prepared for

The Committee on Banking, Housing, and Urban Affairs of the Senate

and

The Committee on Financial Services of the House of Representatives

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1. Background

Section 1212 of the Housing and Economic Recovery Act of 2008 requires the Federal Housing Finance Agency (FHFA) to submit an annual report to Congress on the collateral pledged to the Federal Home Loan Banks (FHLBanks) by type and by District. The information in this report is based on data collected through an annual survey, known as the Collateral Data Survey, conducted by FHFA's Division of Federal Home Loan Bank Regulation.

The Federal Home Loan Bank System (System) was created by the Federal Home Loan Bank Act of 1932 (the Bank Act) to support mortgage lending and related community investment. The FHLBanks provide liquidity to their members and eligible non-member housing associates[1] by offering them loans, referred to as advances. These members and housing associates are required to pledge collateral in the form of mortgages and other eligible assets to secure their advances from FHLBanks.

This report provides data on the levels of collateral pledged to the FHLBanks securing advances and other products offered by FHLBanks to their members and housing associates. The report includes data on the adjusted minimal level of collateral pledged to secure advances and the total collateral pledged by members and housing associates. The "adjusted minimum" level of collateral is defined as the minimum amount of collateral an FHLBank determines would be necessary to liquidate a member's outstanding advances. Total collateral includes the adjusted minimum level of collateral, plus collateral pledged by borrowers and non-borrowers to support non-advance products, plus any collateral pledged in excess of these amounts. As of December 31, 2012, FHLBank advances totaled approximately $414 billion. As of that date, the adjusted minimum level of collateral securing advances was $523 billion and the total collateral pledged to the FHLBanks was $1.7 trillion.

Collateral at the FHLBanks

The Bank Act and FHFA regulations require that FHLBanks obtain and maintain collateral from their borrowers in order to secure advances at the time these advances are originated or renewed. In general, the FHLBanks enter into collateral security agreements with each member or housing associate and through this agreement the FHLBank obtains a security interest in some or all of a member's or housing associate's assets.

Each FHLBank's collateral policy identifies the types and amounts of eligible collateral it will accept and specifies the methodology it uses to establish collateral discounts, or "haircuts," on various types of collateral. The reported book value of any collateral

[1] Entities, such as state housing finance agencies, that meet certain requirements may obtain advances if they are designated as FHLBank "housing associates." Housing associates must also provide collateral to secure those advances.

pledged is discounted, or given a "haircut," to ensure that the amount of collateral pledged will fully secure any outstanding advances should a member default. The collateral discounts, or haircuts, are designed to ensure that the liquidation value of collateral pledged exceeds the value of the advances it is securing. The amount of collateral required to secure advances differs across FHLBanks and depends on a number of factors that typically include the specific type of collateral pledged, the financial condition of the member, the quality of the member's credit underwriting policies and practices, the method of securing the collateral pledged, and recent trends in asset values.

By statute,[2] all advances made by FHLBanks to their members must be fully secured. The FHLBanks fulfill this requirement through a process that begins by requiring all members to sign a lien agreement on some or all of a member's assets. The most commonly used lien agreement is known as the blanket lien. Under the blanket lien, an FHLBank executes a security agreement that provides a secured interest in the member's assets without the member providing detailed information on the specific assets covered by the lien. FHLBanks typically have either a blanket lien on all assets of the member or a limited blanket lien that limits the security interest to only those assets specified in the security agreement. Under a blanket lien, the member maintains possession of the collateral pledged to the FHLBank.

In addition to a blanket lien, an FHLBank can require a member to enter into a "collateral listing agreement." In a listing agreement, the member provides a list of the assets pledged along with detailed information about those assets. The benefit of using the listing method is that the FHLBank can more easily assess the type and quality of assets pledged. Consequently, an FHLBank will typically lend more against each dollar of collateral pledged when a member enters into a listing agreement than they would lend under a blanket lien alone. As a precautionary measure, the FHLBanks may require members with higher risk profiles to enter into listing agreements.

FHLBanks also use the "delivery method" of securing collateral. The method of delivery will depend on the type of collateral being pledged. Tangible collateral, such as mortgage promissory notes and certificated securities, is delivered by physically transferring those documents to the FHLBank or its custodian. Intangible collateral, such as securities that exist only in electronic form, is delivered by crediting them to the account of the FHLBank or its custodian. The delivery method is the most secure type of collateral control and, therefore, FHLBanks often require collateral to be delivered when the creditworthiness of the borrower is an issue. In addition, when securities are pledged as collateral, FHLBanks require delivery of securities regardless of the member's financial condition.

[2] 12 U.S.C. § 1430(a).

The board of directors of each FHLBank is responsible for establishing its FHLBank's collateral policy, consistent with statutory and regulatory requirements. Accordingly, collateral policies differ across FHLBanks, often reflecting differences in the types of members served by each FHLBank, differences in the risk tolerances of each FHLBank, and differences in methods used by each FHLBank to determine collateral values. Key collateral policy differences include the various types of eligible collateral each FHLBank will accept, whether the collateral is required to be delivered to the FHLBank to receive collateral value, and the levels of collateral discounts required to secure different types of advances and different types of non-advance transactions.

Collateral Data Survey

The Collateral Data Survey collects information on the composition of collateral securing FHLBank advances. The survey instructions request the FHLBanks to review the total collateral pledged by each member or housing associate with outstanding advances and decide, among the various eligible assets pledged, the specific amounts and types of collateral that secure the outstanding advances. The FHLBank then reports the value of the collateral that the FHLBank would anticipate liquidating should it be needed to address a member's default on its outstanding advances. This adjusted minimum level of collateral is based on the individual FHLBank's choice among the types of collateral pledged and each FHLBank's collateral policy discounts for each type of collateral pledged. The reported amounts are adjusted based on member financial condition and the results of individual member collateral verification quality reviews. FHFA believes that this measure best describes the specific collateral types that the FHLBanks rely upon to secure outstanding member advances.

The Collateral Data Survey was expanded in 2010 to also capture total collateral pledged because members and housing associates pledge additional collateral beyond what is necessary to support their outstanding level of advances.

The types of eligible collateral pledged to the FHLBanks are: 1-4 family residential mortgages (whole loans); U.S. government agency mortgage-backed securities and collateralized mortgage obligations (U. S. Agency MBS/CMOs); private label mortgage backed securities and collateralized mortgage obligations (PLS); U.S. Treasury and other U.S. Agency securities (excluding Agency mortgage backed securities) and cash deposits in FHLBanks (combined as securities/deposits); other real estate related collateral (ORERC); and Community Financial Institution collateral (CFI).[3]

[3] The FHLBank Act permits members that qualify as CFIs to pledge certain CFI-specific collateral. By statute, CFI collateral includes secured loans for small business, agriculture, or community development. 12 U.S.C. § 1430(a)(3)(E). By regulation, CFI collateral includes small-business, small-farm, small-agribusiness and community development loans and securities representing a whole interest in such loans. The Glossary in Section 9 provides a full definition of CFI members. 12 C.F.R. § 1266.7(b)(1).

The Collateral Data Survey also collects collateral data by member type and size. Members of the FHLBanks include: commercial banks, thrift institutions, NCUA-insured credit unions, insurance companies, and community development financial institutions (CDFIs).[4] The Collateral Data Survey also collects data from housing associates and from previous members acquired by non-members or members in another FHLBank district (combined as other) that hold advances outstanding.

Section 2 of this report provides an analysis of the 2013 Collateral Data Survey.

Sections 3 through 8 provide further detail, including graphs and tables of collateral data provided by the FHLBanks.

Section 9 provides a glossary of common terms and defines those terms as used in this report.

[4] 12 U.S.C. § 1424(a)(1) eligibility requirements for FHLBank membership; 12 C.F.R. § 1805.200 eligibility requirements for becoming a CDFI.

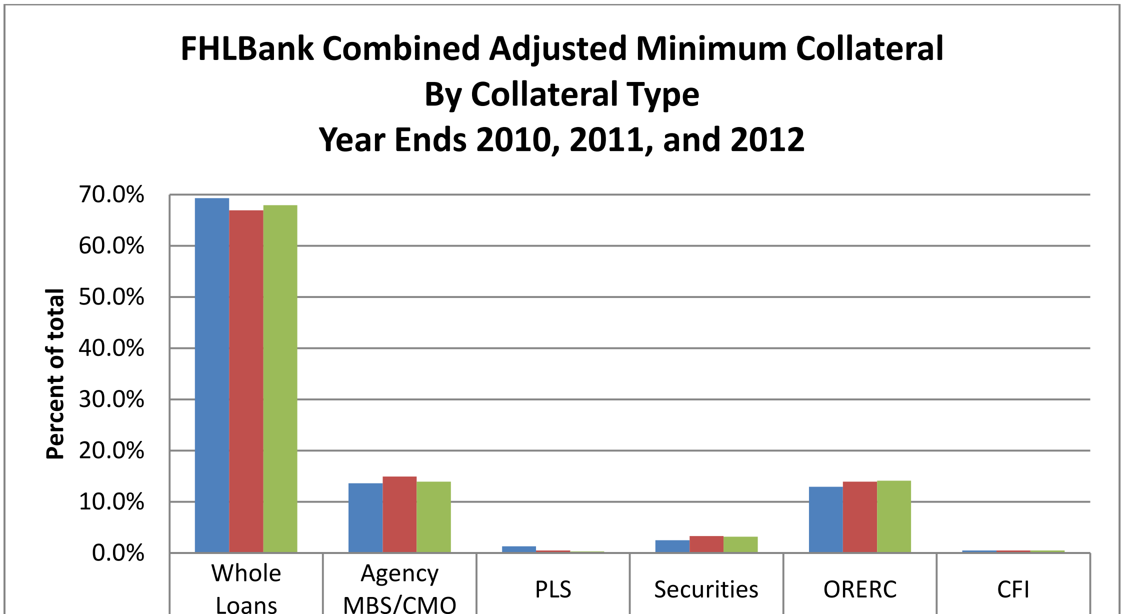
2. Analysis

Overview

Total advances at the FHLBanks were $414 billion at year-end 2012, an increase of three percent from $403 billion one year earlier. Over the same period, adjusted minimum collateral securing advances increased by one percent to $523 billion, from $518 billion at year-end 2012.

Collateral Composition

The table below shows the composition of collateral held by the FHLBanks. As of year-end 2012, whole loans were the most common type of collateral pledged, representing 68 percent of adjusted minimum collateral, followed by ORERC at 14 percent and U.S. Agency MBS/CMOs, at just under 14 percent. (Graph 3.1 in Section 3 of this report compares the composition of collateral for the System and each of the FHLBanks from 2008 through 2012.)

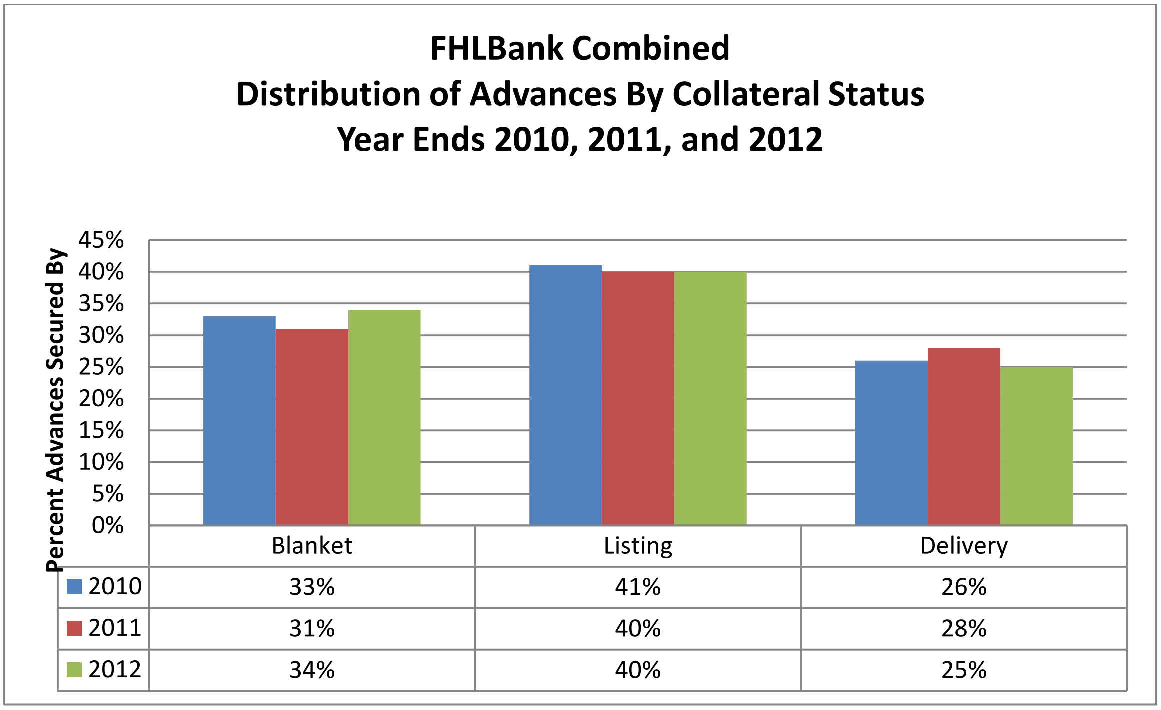


	Whole Loans	Agency MBS/CMO	PLS	Securities	ORERC	CFI
2010	69.3%	13.6%	1.3%	2.5%	12.9%	0.5%
2011	66.9%	14.9%	0.5%	3.3%	13.9%	0.5%
2012	67.9%	13.9%	0.3%	3.2%	14.1%	0.5%

Blanket, Listing, and Delivery

The FHLBanks secure member advances through: 1) a blanket pledge or lien on all or specific categories of a member's assets, and in addition may require, 2) a specific listing of member assets pledged to the FHLBank, and/or 3) the actual delivery of assets by a member to the FHLBank or an approved safekeeping facility, or some combination of the three approaches. Typically, FHLBanks grant members greater borrowing capacity when they agree to a listing or delivery of collateral because these pledging methods provide specific information regarding the collateral and its delivery to a FHLBank generally provides a more secure lien. FHLBanks often require listing or delivery for less creditworthy members.

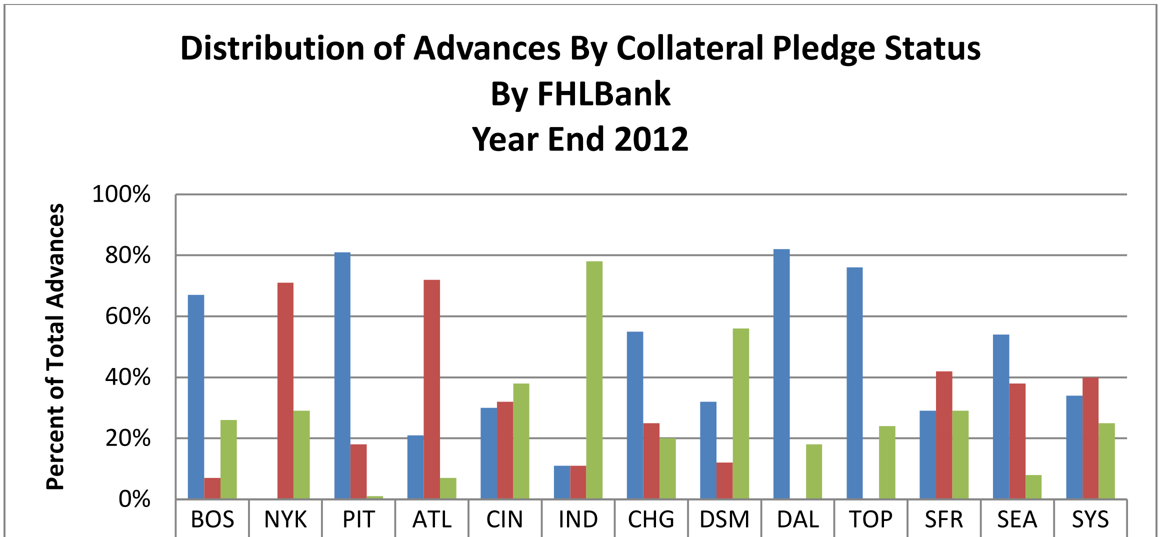
The System-wide distribution of advances by collateral status (i.e., blanket, listing, or delivery status) is presented below. At year-end 2012, listing was the most common form of collateral status (40 percent of collateral pledged), followed by blanket liens (34 percent of collateral).



	Blanket	Listing	Delivery
2010	33%	41%	26%
2011	31%	40%	28%
2012	34%	40%	25%

*Totals may not round to 100 percent

The extent to which individual FHLBanks use the blanket, listing, and delivery methods varies considerably, as shown below. For example, the FHLBank of Dallas reported that roughly 82 percent of its advances were secured by blanket lien at year-end 2012, while the FHLBank of New York reported no advances secured solely by blanket lien. Although the FHLBank of New York files a blanket lien for each member, it only grants credit to a member based on either the assets for which the member has provided a listing, or the assets the member has delivered to the FHLBank. All FHLBanks require members to deliver securities when seeking to receive borrowing capacity against that form of collateral.



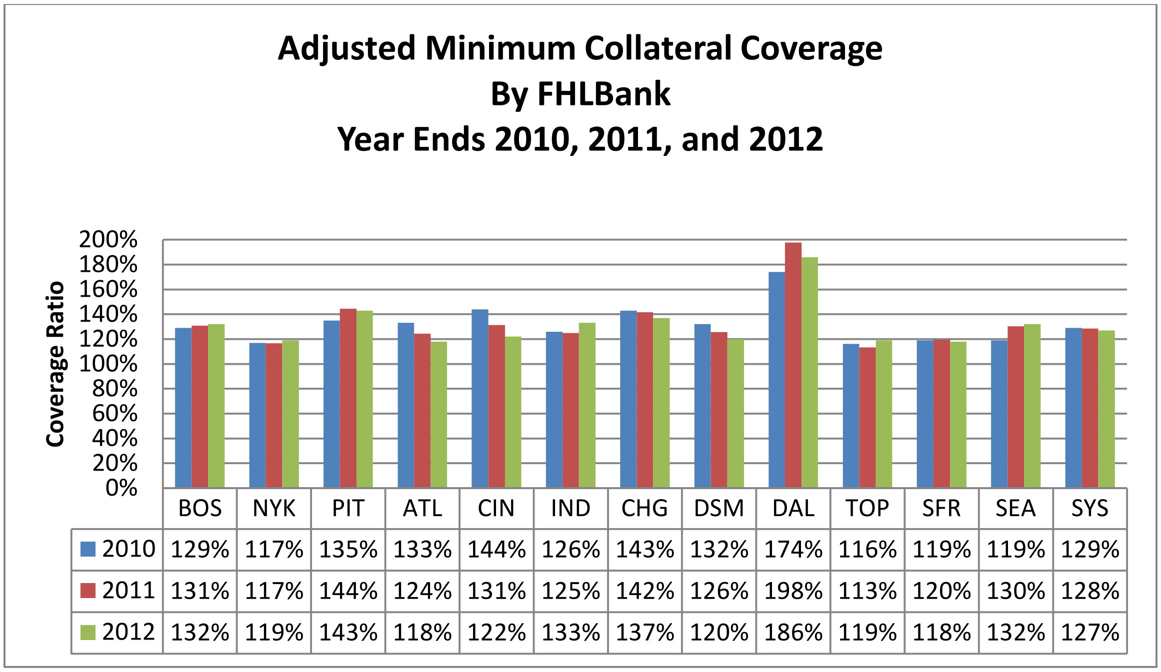
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
Blanket	67%	0%	81%	21%	30%	11%	55%	32%	82%	76%	29%	54%	34%
Listing	7%	71%	18%	72%	32%	11%	25%	12%	0%	0%	42%	38%	40%
Delivery	26%	29%	1%	7%	38%	78%	20%	56%	18%	24%	29%	8%	25%

*Totals may not round to 100 percent

Collateral Coverage

The System-wide adjusted minimum collateral-to-advances coverage ratio[5] was 127 percent at year-end 2012, a one percentage point decrease from year-end 2011 (see exhibit below). From year-end 2010 to year-end 2012, the average collateral coverage ratio increased by more than five percentage points at four FHLBanks (Dallas, Indianapolis, Pittsburgh and Seattle) and increased slightly at three others (Boston, New York and Topeka). The FHLBank of Seattle showed the greatest change in its collateral coverage ratio, reporting a 13 percentage point increase over this time period and the FHLBank of Cincinnati exhibited the largest decrease in its collateral coverage ratio, reporting a 22 percentage point decrease between year-ends 2010 and 2012. Cincinnati reported increased pledges of U.S. Agency MBS/CMOs and commercial real estate mortgage securities and lesser pledges of mortgage loan collateral at year-end 2012 compared to the two previous year ends (also see Section 3).

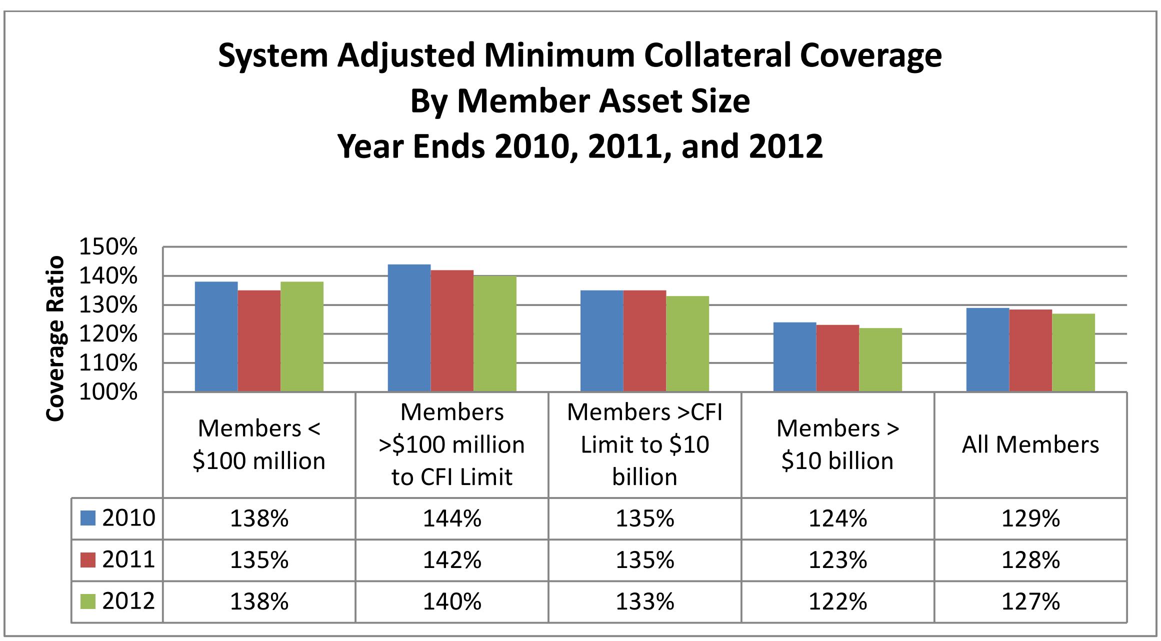
[5] For purposes of this report, the term "coverage ratio" refers to a collateral value to advance value ratio, where collateral value may be the unpaid principal balance, market value, or other valuation.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
2010	129%	117%	135%	133%	144%	126%	143%	132%	174%	116%	119%	119%	129%
2011	131%	117%	144%	124%	131%	125%	142%	126%	198%	113%	120%	130%	128%
2012	132%	119%	143%	118%	122%	133%	137%	120%	186%	119%	118%	132%	127%

Coverage of Advances by Member Asset Size

Collateral coverage ratios vary somewhat by member asset size. As the graph below indicates, for year-end 2012, average collateral coverage ratios across member asset-size categories ranged from a low of 122 percent for members with total assets greater than $10 billion, to a high of 140 percent for members with total assets between $100 million and the CFI limit.



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	138%	144%	135%	124%	129%
2011	135%	142%	135%	123%	128%
2012	138%	140%	133%	122%	127%

At certain FHLBanks, collateral coverage ratios across member asset-size categories differed from the System pattern and spanned a somewhat wider range. At the FHLBank of Dallas, for example, the average minimum adjusted collateral coverage ratio for members with total assets less than $100 million was 158 percent, while the average collateral coverage ratio for the largest members (greater than $10 billion in assets) was 217 percent. See Section 4 of this report for individual FHLBank data.

Coverage ratios across the member asset-size groups may vary for FHLBank-specific reasons. Generally speaking, however, higher collateral coverage ratios are required for smaller members because they tend to borrow under blanket pledge agreements while larger members tend to be more likely to pledge collateral under listing agreements and to deliver securities.

Subprime and Nontraditional Collateral

Beginning with the 2009 Collateral Data Survey, we asked the FHLBanks to provide information on subprime, nontraditional and Alt-A collateral pledged to secure advances.[6] FHLBank reliance on such collateral has declined since the initial survey, from $195 billion reported at year-end 2009 to $72 billion reported at year-end 2012, although the Banks reported an increased reliance on subprime and nontraditional collateral between year-end 2011 and year-end 2012.

Overall, collateral identified as subprime, nontraditional or Alt-A accounted for 13.8 percent of adjusted minimum collateral securing advances at year-end 2012, an increase from 7.3 percent at year-end 2011, and 8.6 percent at year-end 2010.[7] As the tables below illustrate, the percentage of subprime and nontraditional collateral in each collateral class (except Alt-A PLS collateral) increased between year-end 2010 and year-end 2012. Similarly, the share of total collateral that was subprime or nontraditional also increased in every category except Alt-A PLS collateral. The increase in subprime mortgage loan collateral from 2010 to 2012 is attributable to increases in members pledging subprime and nontraditional mortgage loans at the FHLBanks of New York and Pittsburgh.

One very large FHLBank of New York member pledged $24 billion of subprime and nontraditional mortgage loan collateral under the listing method to support new advances during 2012. A majority of the increase in subprime and nontraditional collateral was due to pledges of HELOC mortgage loans that the FHLBank considers as nontraditional under its own policy guidelines. At the FHLBank of Pittsburgh, a large member pledged $9.2 billion of 1-4 family mortgage loans, some of which are interest only, or lack FICO scores.

[6] Section 8 discusses how the terms "subprime," "nontraditional," and "Alt-A" are used in the Collateral Data Survey.
[7] The totals may differ somewhat from the sum of the shares in the table below due to rounding.

Adjusted, Minimum Collateral Securing Advances Subprime, Nontraditional and Alt-A Collateral (in millions)						
	Mortgage Loan Collateral that is Subprime (SP)	**Mortgage Loan Collateral that is Nontraditional (NTM)**	**Mortgage Loan Collateral that is both SP and NTM**	**PLS Collateral that is SP**	**PLS Collateral that is Alt-A**	**Total**
2009	$51,783	$109,714	$24,861	$415	$8,422	$195,195
2010	$10,917	$35,585	$2,714	$812	$1,733	$51,761
2011	$12,914	$23,903	$669	$45	$226	$37,757
2012	$27,556	$39,688	$4,541	$558	$81	$72,424

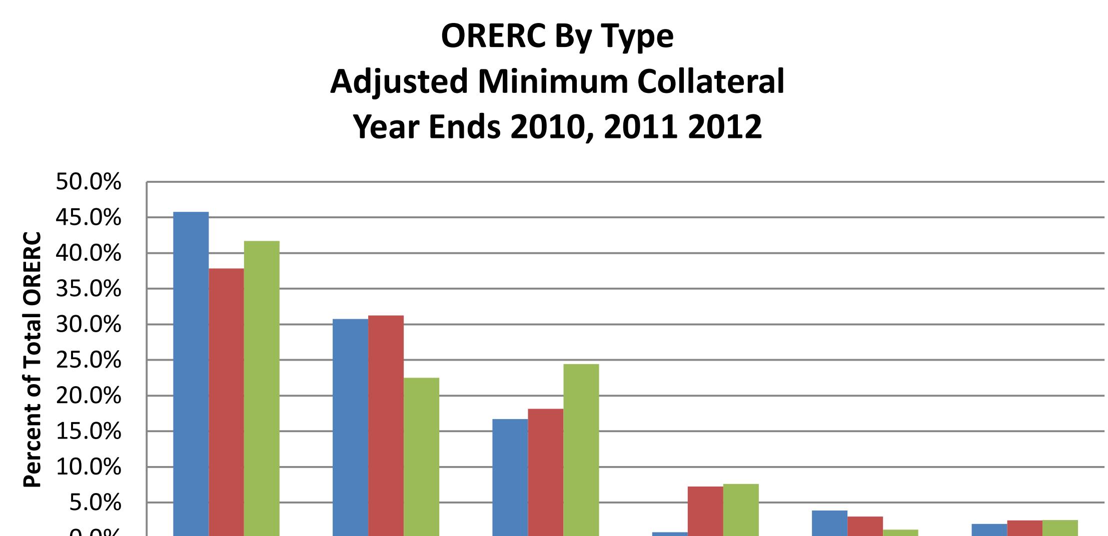
Adjusted, Minimum Collateral Securing Advances Subprime, Nontraditional and Alt-A Collateral to Collateral Class		
Collateral Type	**Percentage of Collateral Class 2011**	**Percentage of Collateral Class 2012**
Subprime Mortgage Loans	3.7	7.8 (a)
Nontraditional Mortgage Loans	6.9	11.2 (a)
Mortgage Loans that are Both Subprime and Nontraditional	0.2	1.3 (a)
Subprime PLS	0.3	2.8 (b)
Alt-A PLS	1.4	0.4 (b)

(a) Percentage of mortgage loan collateral; (b) percentage of PLS collateral

Adjusted, Minimum Collateral Securing Advances Subprime, Nontraditional and Alt-A Collateral to Total Collateral		
Collateral Type	**Percentage of Total Collateral 2011**	**Percentage of Total Collateral 2012**
Subprime Mortgage Loans	2.5	5.3
Nontraditional Mortgage Loans	4.6	7.6
Mortgage Loans that are Both Subprime and Nontraditional	0.1	0.9
Subprime PLS	0.0	0.1
Alt-A PLS	0.0	0.0
Total	7.3	13.8

Other Real Estate Related Collateral

Overall, ORERC remained fairly constant at 14.1 percent of adjusted minimum collateral at year-end 2012, compared to 13.9 percent at year-end 2010 (see graph at the beginning of Section 2). As shown below, commercial real estate loans accounted for the majority of ORERC at year-end 2012, followed by ORERC securities (predominantly commercial real estate mortgage-backed securities). Home equity lines of credit (HELOCs) were the third largest class of ORERC pledged at year-end 2012. The "other" category consists of reverse mortgages, residential loss sharing loans, participated loans and commercial real estate second mortgage loans. Other ORERC collateral pledged to the FHLBank of San Francisco represents the majority of this collateral.



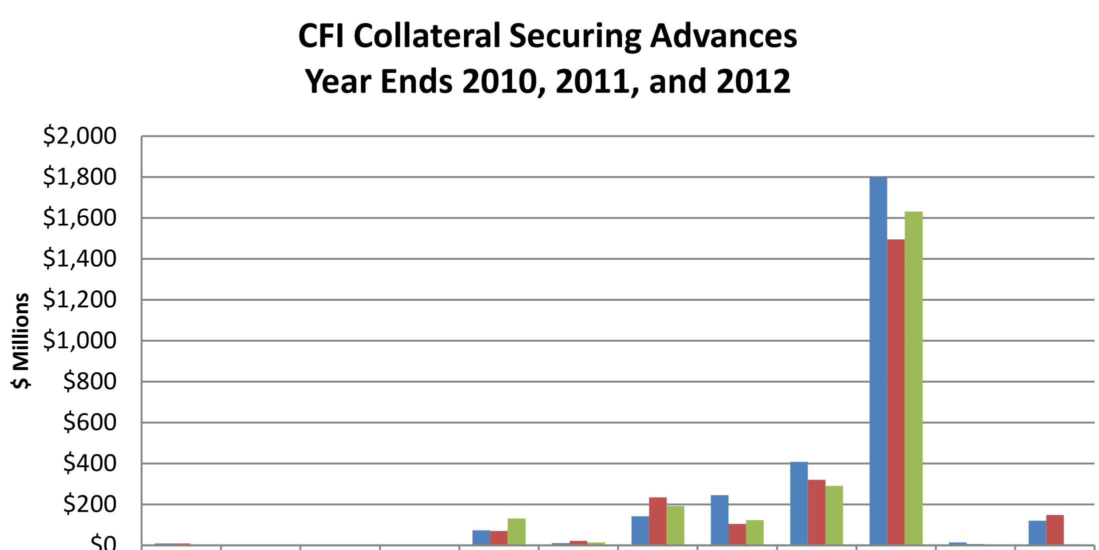
	Commercial Real Estate	Home Equity LOC's	Securities	Other	Residential 2nds	Land Loans
2010	45.8%	30.8%	16.7%	0.8%	3.9%	2.0%
2011	37.8%	31.2%	18.2%	7.3%	3.0%	2.5%
2012	41.7%	22.5%	24.5%	7.6%	1.2%	2.5%

All of the FHLBanks reported outstanding advances secured by ORERC at year-end 2012. Section 5 of this report provides additional detail on ORERC by FHLBank.

Community Financial Institution Collateral

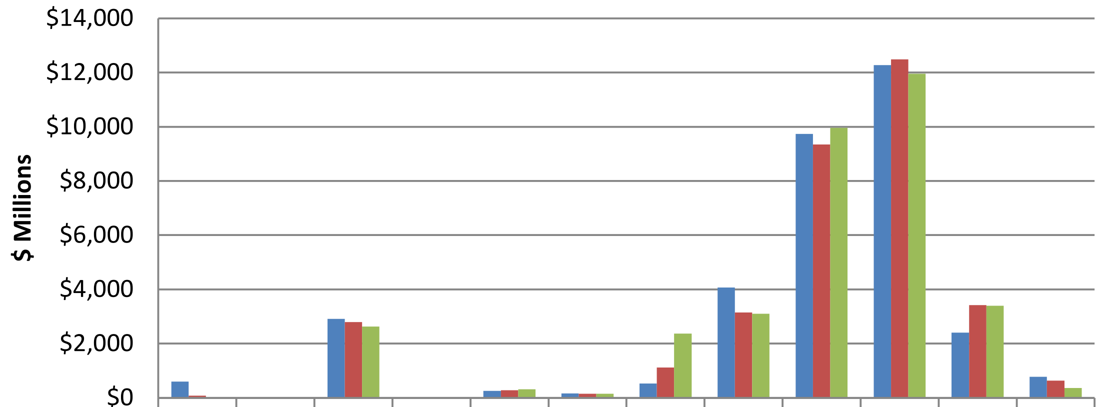
The FHLBanks report data on the types of CFI collateral that they accept, as well as the associated advances secured solely by CFI collateral. The FHLBanks reported \$2.4 billion of CFI collateral securing \$1.4 billion of CFI member advances at year-end 2012, compared to \$2.8 billion of CFI collateral securing \$1.4 billion of CFI member advances at year-end 2010. CFI collateral totals are significantly higher than related advances due to the FHLBanks' considerably higher collateral coverage requirements for CFI collateral types, *e.g.*, small business, small farm, agri-business loans and secured loans for community development, or securities representing in such loans.

The adjusted minimum amounts of CFI collateral pledged to secure advances declined by 1 percent during 2012. CFI collateral represented slightly less than one percent of total adjusted collateral at year end. The FHLBanks utilize a collateral hierarchy to report collateral securing advances for the Collateral Data Survey, relying first on collateral that could be more readily liquidated. As CFI collateral often has the last place in the hierarchy, it is usually most affected when advances decline. The amounts of collateral types higher in the hierarchy were sufficient in most cases to secure the lower amounts of members' outstanding advances. The FHLBanks reported $31.9 billion of excess CFI collateral pledged by CFI members at year-end 2012. Members pledge substantial amounts of CFI collateral for potential FHLBank advances, to secure available lines of credit, and for other FHLBank products to meet liquidity needs.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$9	$0	$0	$0	$73	$11	$142	$245	$408	$1,800	$15	$120
2011	$10	$0	$0	$0	$70	$22	$235	$105	$320	$1,496	$7	$149
2012	$0	$0	$0	$0	$132	$15	$192	$123	$291	$1,631	$1	$5

Total CFI Collateral Pledged
Year Ends 2010, 2011, and 2012



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$600	$0	$2,912	$0	$255	$164	$526	$4,073	$9,740	$12,27	$2,404	$771
2011	$76	$0	$2,795	$0	$276	$145	$1,118	$3,152	$9,348	$12,48	$3,419	$627
2012	$7	$0	$2,629	$0	$313	$150	$2,368	$3,100	$9,964	$11,95	$3,396	$365

While the boards of directors of all the FHLBanks have approved acceptance of CFI collateral, the FHLBanks of New York and Atlanta have yet to submit new business activity notices requesting approval to accept CFI collateral.

Section 6 of this report provides additional details on CFI collateral.

Community Development Financial Institutions

Community Development Financial Institutions (CDFIs) certified by the U.S. Department of the Treasury are eligible to become members of the FHLBanks in two ways. Those CDFIs that are insured depositories, such as federally insured banks, thrifts, and credit unions have long been eligible to apply for membership as federally insured depositories. More recently, HERA authorized non-depository CDFIs, such as community development loan funds, to also apply for FHLBank membership.

For this section of the report, consistent with the membership regulation, we use the term CDFI member to refer only to non-depository CDFI members. Data for CDFIs that are insured depositories are included with other depository institutions.

At year-end 2012, there were 14 CDFI members of the FHLBanks with $41.6 million in combined advances outstanding. The FHLBanks with CDFI members are: Atlanta, Boston, Cincinnati, Chicago, Des Moines, Dallas, New York and San Francisco.

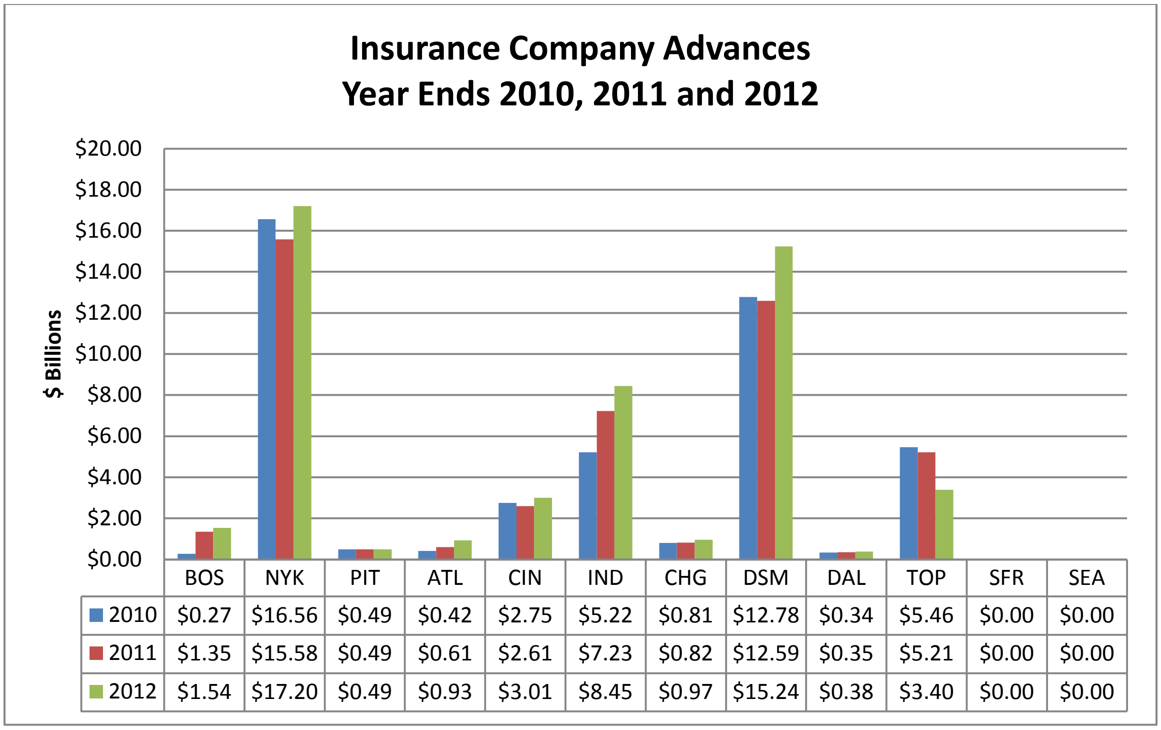
Multifamily Whole Mortgage Loan Collateral

For the 2013 Collateral Data Survey, FHFA requested a breakout of the multifamily whole mortgage collateral pledged within the category of whole loan collateral pledged to the FHLBanks. System wide, multifamily loans account for 11.6 percent of the value of whole loan collateral pledged. Four FHLBanks—Cincinnati, New York, Pittsburgh, and San Francisco—report multifamily shares higher than the system average; at the FHLBank of San Francisco, the multifamily share is more than twice the system average.

Multifamily Whole Mortgage Loans Pledged to the FHLBanks (\$ Millions) Year End 2012			
FHLBank	**Total Multifamily Loans Pledged (\$Millions)**	**Total Whole Loans Pledged (\$Millions)**	**Multifamily Loans as a Percent of Total Whole Loans Pledged**
Boston	\$1,066	\$61,801	1.7%
New York	\$25,861	\$155,251	16.7%
Pittsburgh	\$13,315	\$84,636	15.7%
Atlanta	\$6,949	\$168,003	4.1%
Cincinnati	\$17,617	\$123,242	14.3%
Indianapolis	\$1,597	\$21,859	7.3%
Chicago	\$2,936	\$42,428	6.9%
Des Moines	\$4,091	\$92,178	4.4%
Dallas	\$3,240	\$37,570	8.6%
Topeka	\$1,963	\$31,055	6.3%
San Francisco	\$30,385	\$117,078	25.9%
Seattle	\$2,812	\$26,506	10.6%
System	**\$111,831**	**\$961,607**	**11.6%**

Insurance Company Collateral

There were 276 insurance company members at year-end 2012, of which 115 held outstanding advances. Insurance company advances increased by ten percent to \$51.6 billion at year-end 2012, accounting for twelve percent of total System advances, up from eleven percent at year-end 2011. The FHLBanks of New York, Des Moines, Indianapolis and Topeka reported the largest volume of advances outstanding to insurance companies.



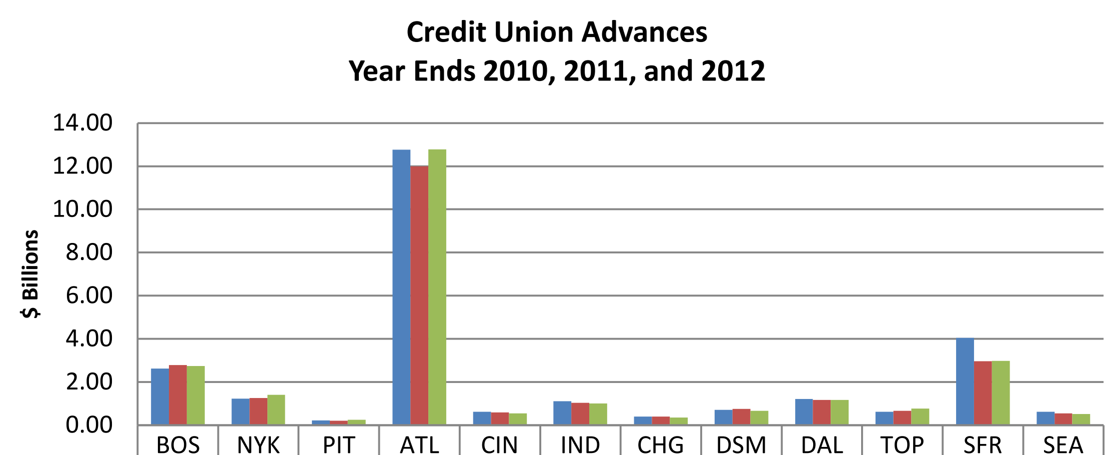
The system-wide collateral-to-advances coverage ratio for insurance companies is the lowest of any member type, 112 percent, as compared to 127 percent for all members. The lower coverage ratio results from the fact that most collateral securing advances to insurance companies consists of delivered securities. An FHLBank can generally determine the value of securities collateral more easily and precisely than other forms of collateral, reducing the need for higher coverage levels. Additionally, an FHLBank has greater control over collateral in delivery status.

The table below shows the distribution of collateral securing advances to insurance companies by collateral type at year-ends 2011 and 2012. Section 7 of this report provides additional details about insurance company collateral.

Insurance Company Collateral		
Collateral Type	**Percentage of Insurance Company Collateral 2011**	**Percentage of Insurance Company Collateral 2012**
PLS	1	1
U.S. Agency MBS/CMOs	45	39
ORERC	32	35
Whole loans	2	3
Securities and deposits	20	21

Credit Union Collateral

Advances to credit union members account for six percent of total system advances at year-end 2012. The highest share was at the Boston FHLBank, where advances to credit unions represented 13 percent of advances. There were 1,178 credit union members at year-end 2012, of which 383 held advances. During 2012, credit union borrowings increased by 3.4 percent, from $24.3 billion at year-end 2011 to $25.1 billion at year-end 2012. The FHLBanks of Atlanta, San Francisco and Boston reported the highest levels of advances to credit union members as of year-end 2012.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	2.62	1.23	0.21	12.76	0.62	1.11	0.39	0.71	1.21	0.62	4.05	0.61
2011	2.79	1.26	0.20	12.00	0.59	1.04	0.39	0.75	1.16	0.67	2.96	0.55
2012	2.74	1.41	0.25	12.78	0.55	1.01	0.35	0.66	1.16	0.76	2.98	0.52

Credit unions primarily pledge whole loans to secure advances. The table below presents the distribution of collateral securing advances to credit unions at year-ends 2011 and 2012:

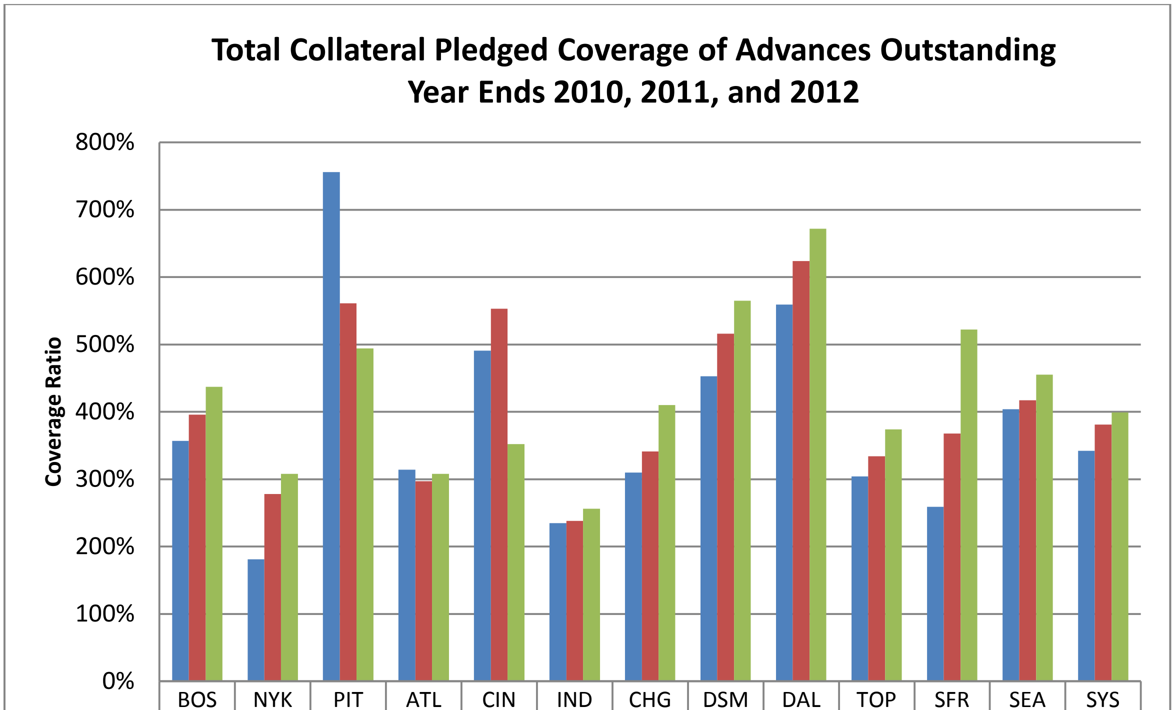
Credit Union Collateral

Collateral Type	Percentage of Credit Union Collateral 2011	Percentage of Credit Union Collateral 2012
PLS	**0**	**0**
U.S. Agency MBS/CMOs	**17**	**16**
ORERC	**2**	**1**
Whole loans	**78**	**81**
Securities and deposits	**3**	**2**

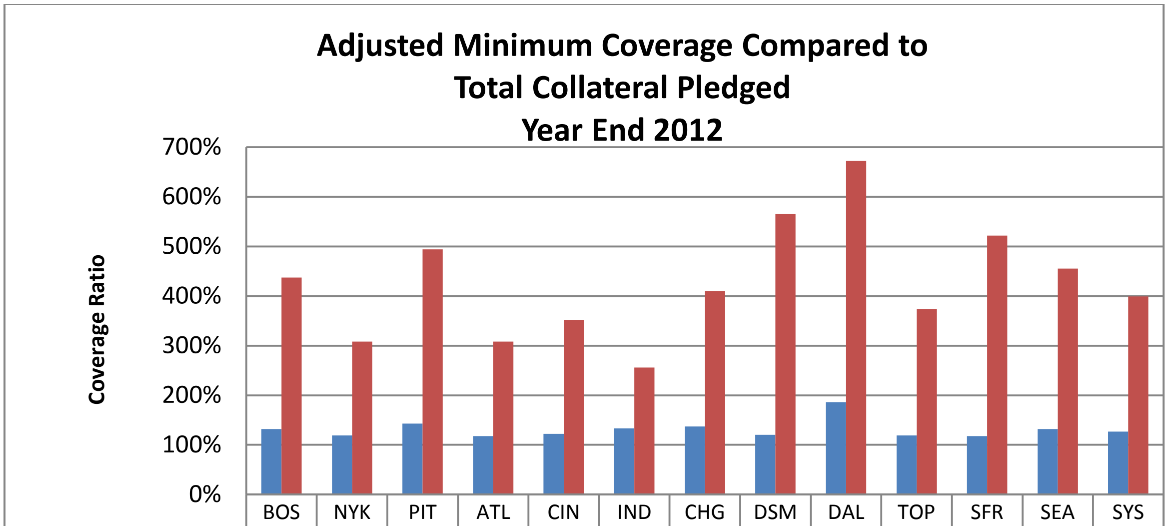
Section 7 of this report provides additional details on credit union collateral.

Total Collateral Pledged

Although the majority of this report focuses on the minimum adjusted collateral needed to fully secure advances outstanding to members and housing associates, the FHLBanks also require members to pledge collateral to support non-advance FHLBank products. Reported total collateral also includes collateral securing unused lines of credit, collateral pledged under the mortgage purchase programs, and collateral pledged to secure FHLBank-issued standby letters of credit and FHLBank-issued derivative transactions. Members pledge the same types of collateral for other FHLBank products as for advances. The System-wide ratio of total collateral to advances was 399 percent at year-end 2012, 272 percentage points above the System adjusted minimum advance collateral coverage ratio. The ratio of total collateral to advances ranged from a high of 672 percent at the FHLBank of Dallas to a low of 256 percent at the FHLBank of Indianapolis.



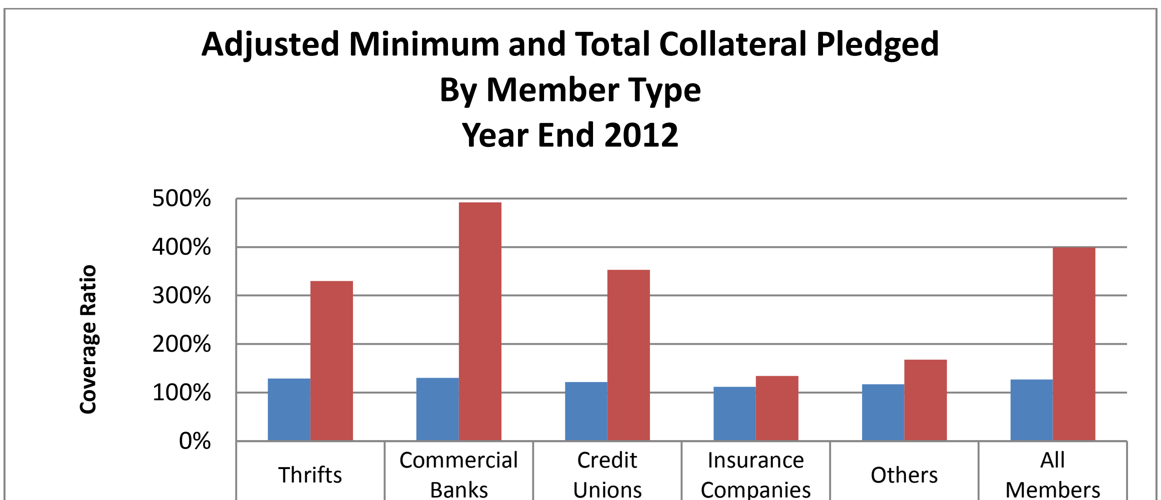
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
2010	357%	181%	756%	314%	491%	235%	310%	453%	559%	304%	259%	404%	342%
2011	396%	278%	561%	297%	553%	238%	341%	516%	624%	334%	368%	417%	381%
2012	437%	308%	494%	308%	352%	256%	410%	565%	672%	374%	522%	455%	399%



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
Adjusted Minimum	132%	119%	143%	118%	122%	133%	137%	120%	186%	119%	118%	132%	127%
Total	437%	308%	494%	308%	352%	256%	410%	565%	672%	374%	522%	455%	399%

Excess Collateral

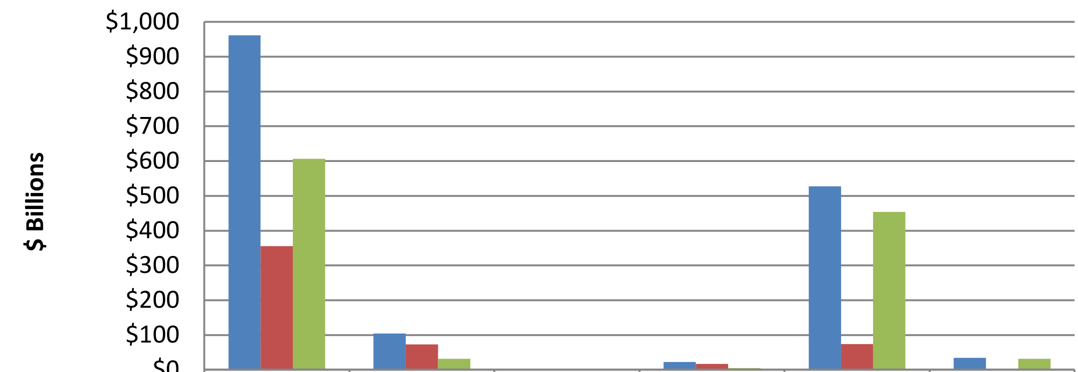
For brevity, this report refers to the difference between the adjusted minimum collateral to secure advances and total pledged collateral as "excess collateral" because it is in excess of the amount required to support current advance levels, even though some of this excess collateral may support other FHLBank products. As the chart below indicates, commercial bank members pledged the most excess collateral, while insurance company members pledged the least excess collateral.



	Thrifts	Commercial Banks	Credit Unions	Insurance Companies	Others	All Members
Adj. Minimum	129%	130%	122%	112%	117%	127%
Total Collateral	330%	492%	353%	134%	168%	399%

The vast majority of excess collateral pledged consisted of whole loans (54 percent or $606 billion) and ORERC (40 percent or $454 billion). CFI members have considerable excess CFI collateral to expand advances as their liquidity needs dictate ($32 billion).

Calculation of Excess Collateral Pledged to the FHLBanks
Year End 2012



	Whole Loans	Agency MBS/CMO	PLS	Securities/ Deposits	ORERC	CFI
Total Collateral	$961.6	$104.2	$2.1	$22.1	$527.5	$34.2
Adj. Minimum	$355.4	$72.9	$1.7	$17.0	$73.8	$2.4
Excess Collateral	$606.2	$31.2	$0.3	$5.1	$453.7	$31.9

3. Collateral by Type – Five Year Review

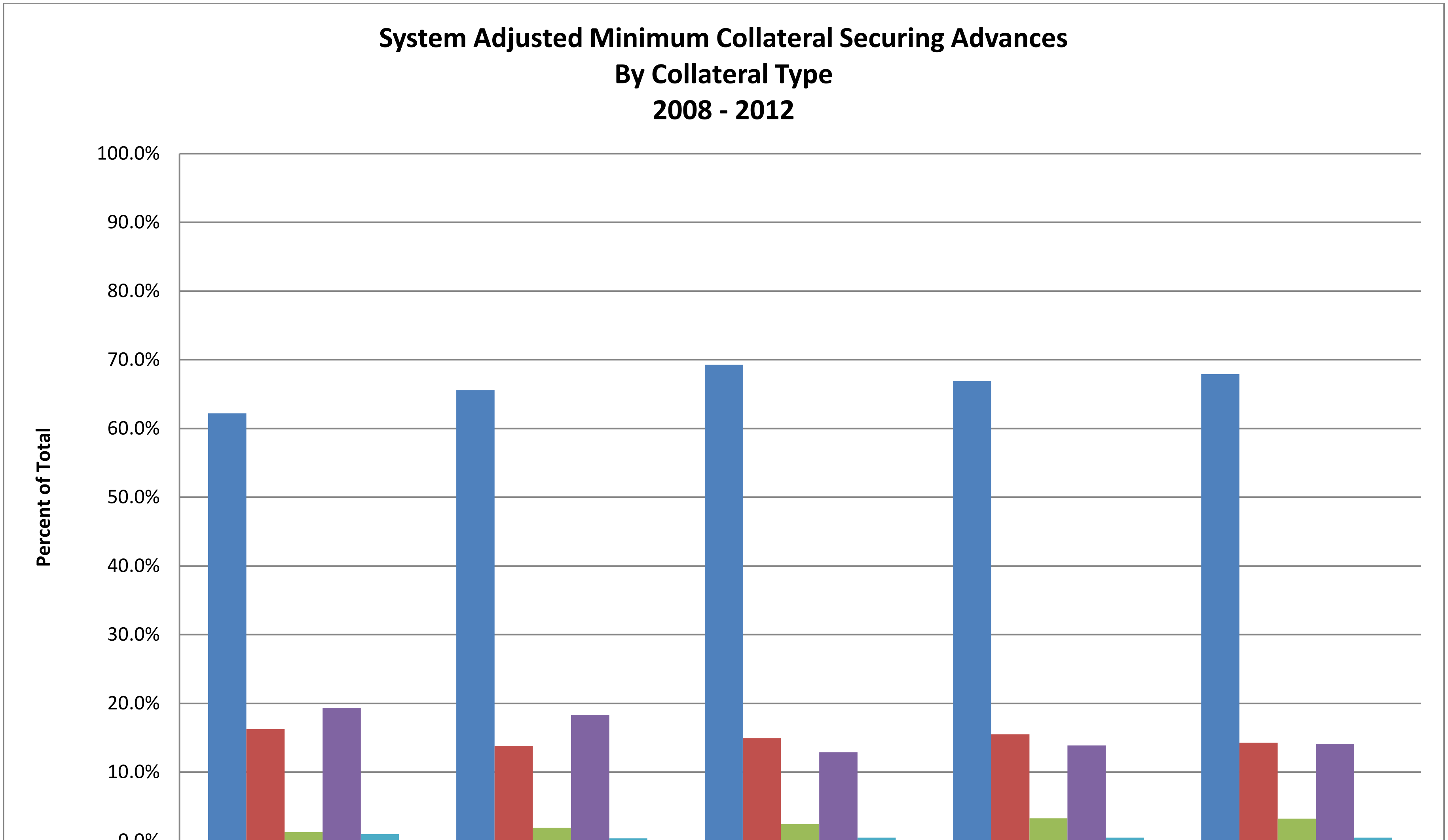
Whole loans were the largest component of adjusted minimum collateral at 68 percent of collateral at year-end 2012. Combined PLS and U.S. Agency MBS/CMOs (collectively, MBS/CMOs) represented 14 percent; ORERC 14 percent; securities/deposits 3 percent; and CFI collateral, less than 1 percent. Within the broader category of mortgage-backed securities, U.S. Agency MBS/CMOs accounted for 14 percent of collateral securing advances and PLS accounted for only 0.3 percent at year-end 2012 (see first graph in Section 2 of this Report).

The FHLBanks rely heavily on whole loan collateral for advances. The System percentage of whole loan collateral to total adjusted minimum collateral increased slightly to 68 percent at year-end 2012 from 67 percent at year-end 2011. During the past five years, whole loans ranged from a low of 62 percent of collateral in 2008 to a high of 69 percent in 2010. ORERC accounted for 14 percent of collateral at year end 2012, down from its high point of 19 percent of collateral at year end 2008.

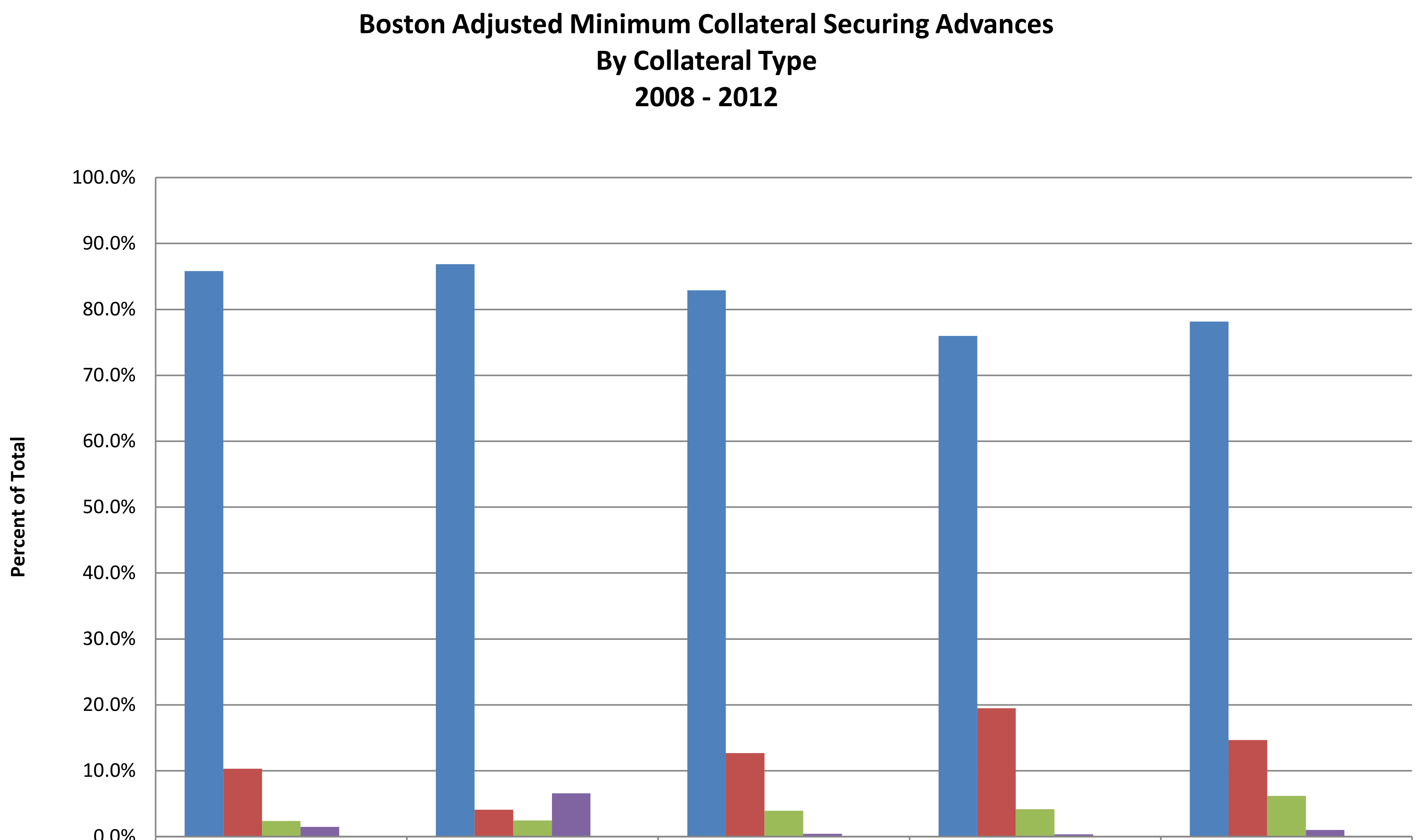
Whole loans were the largest component of collateral at all FHLBanks, and at five of the FHLBanks (Boston, Pittsburgh, Atlanta, Chicago, and Seattle), whole loans accounted for 75 percent or more of adjusted minimum collateral. The share of ORERC collateral was markedly higher than the system percentage of 14 percent at the FHLBanks of Dallas, Des Moines, Indianapolis and San Francisco, where it represented greater than 26 percent of total adjusted minimum collateral at year-end 2012.

The FHLBanks of Cincinnati, Indianapolis and New York relied more heavily on mortgage-backed securities collateral than did the other FHLBanks, with MBS/CMOs accounting for 20 percent or more of total adjusted minimum collateral at year-end 2012 compared to a system average of 14 percent.

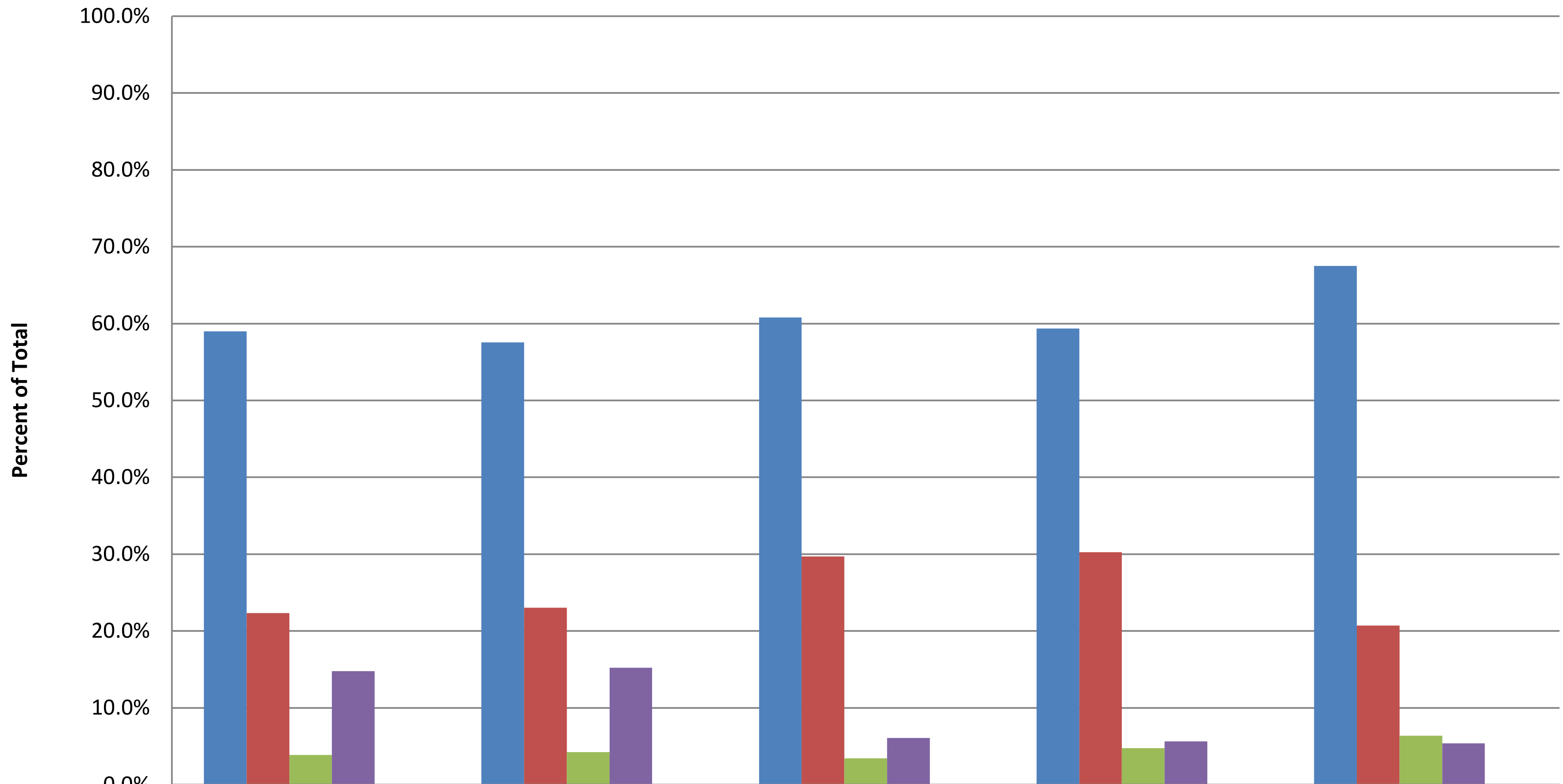
The graphs on the following pages present data on the types of collateral that secured advances over the past five years at the System and FHLBank level.



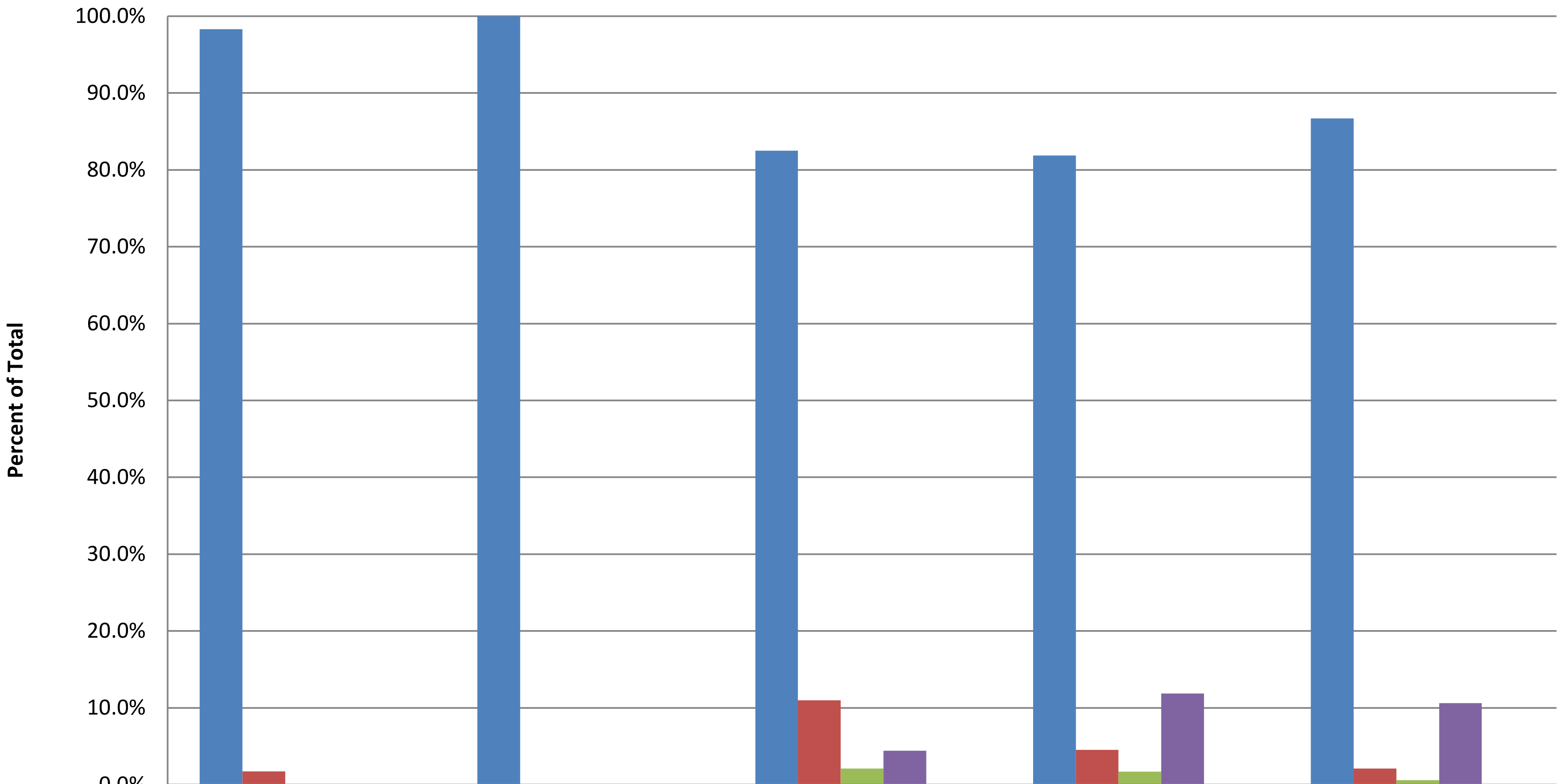
	2008	2009	2010	2011	2012
Whole Loans	62.2%	65.6%	69.3%	66.9%	67.9%
MBS/CMO	16.2%	13.8%	14.9%	15.5%	14.3%
Securities	1.3%	1.9%	2.5%	3.3%	3.2%
ORERC	19.3%	18.3%	12.9%	13.9%	14.1%
CFI	1.0%	0.4%	0.5%	0.5%	0.5%



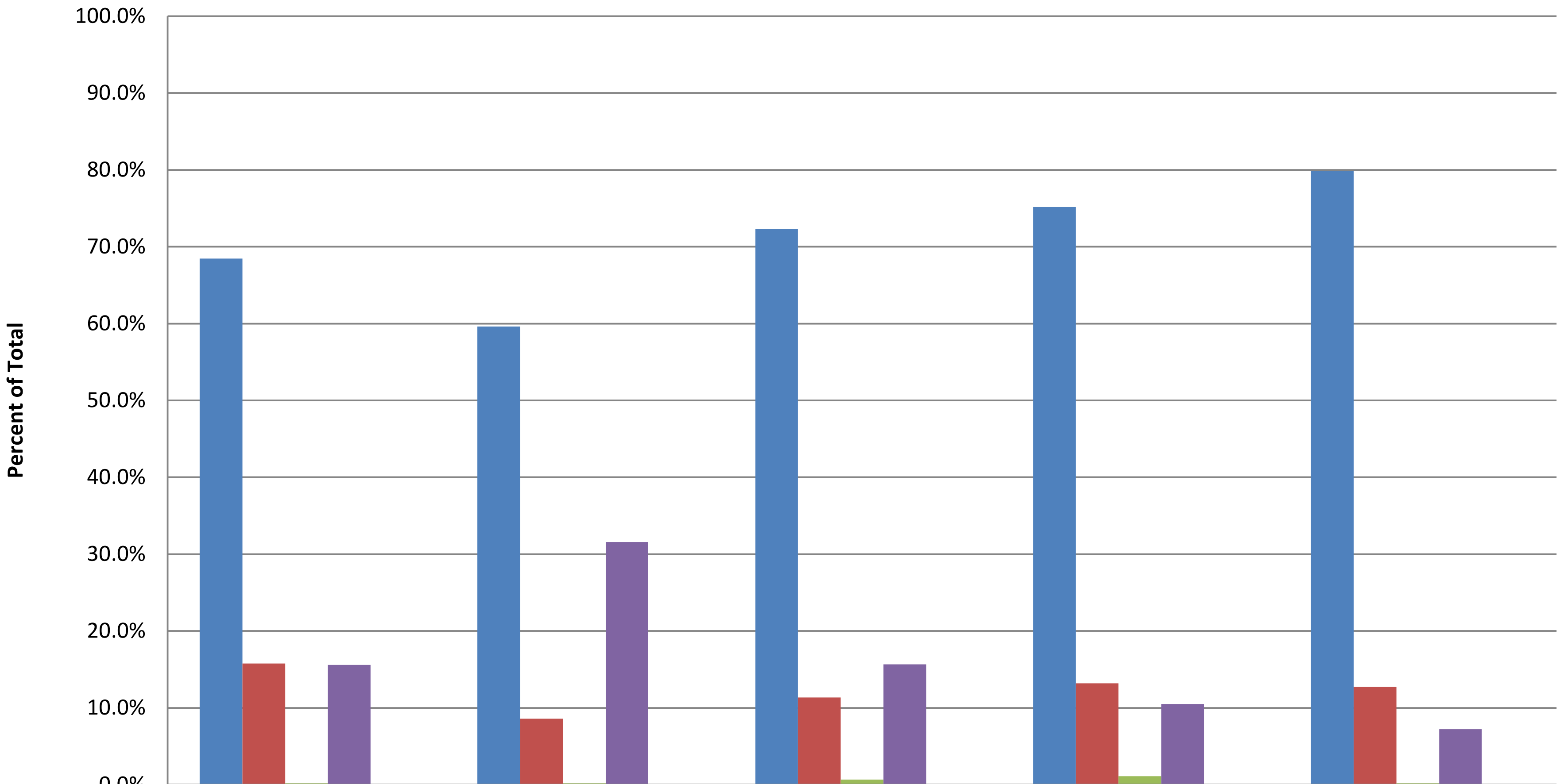
	2008	2009	2010	2011	2012
Whole Loans	85.8%	86.9%	82.9%	76.0%	78.1%
MBS/CMO	10.3%	4.1%	12.7%	19.5%	14.7%
Securities	2.4%	2.4%	3.9%	4.2%	6.2%
ORERC	1.5%	6.6%	0.4%	0.3%	1.0%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%



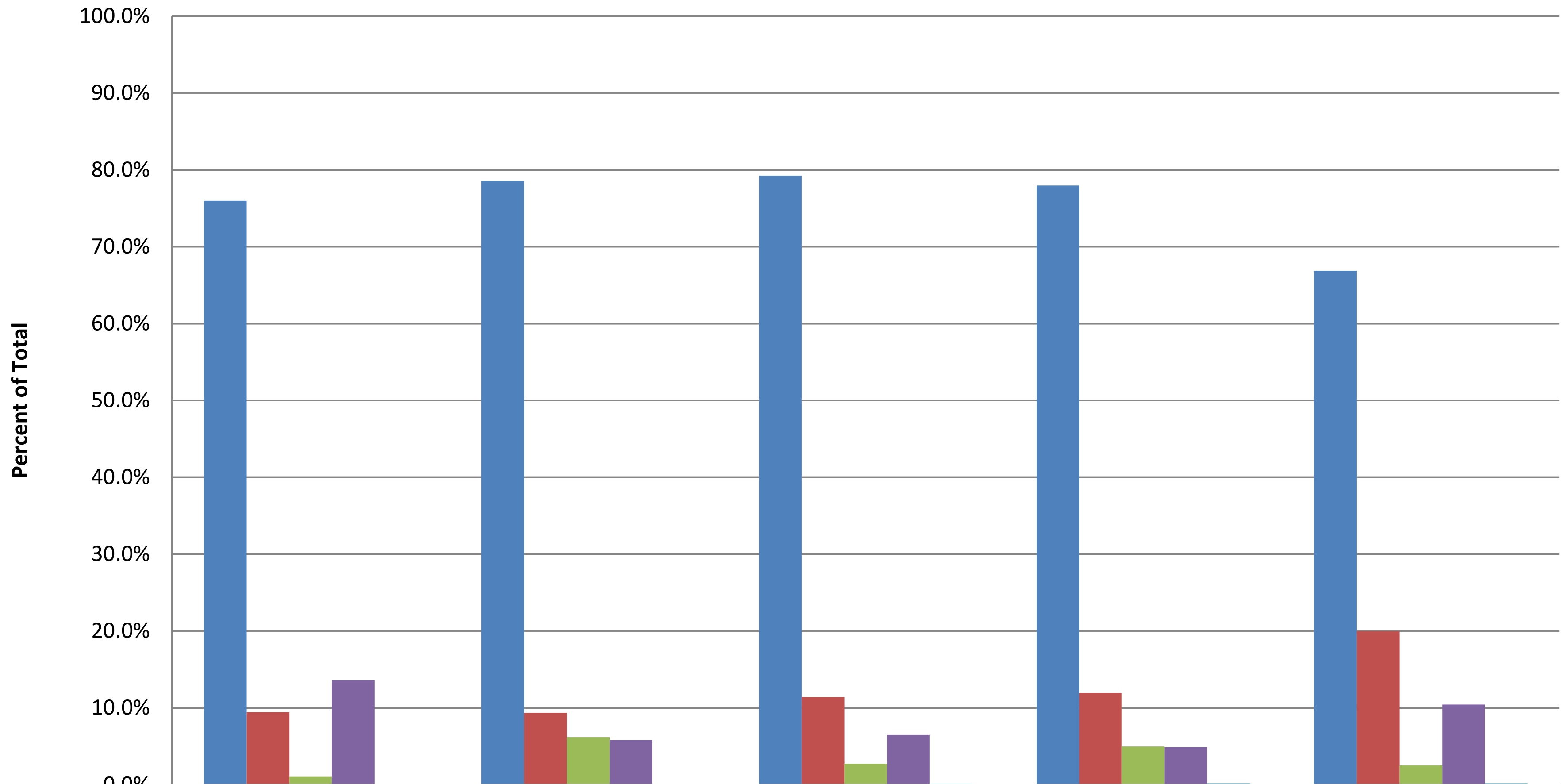
	2008	2009	2010	2011	2012
Whole Loans	59.0%	57.6%	60.8%	59.4%	67.5%
MBS/CMO	22.3%	23.0%	29.7%	30.2%	20.7%
Securities	3.9%	4.2%	3.4%	4.7%	6.4%
ORERC	14.8%	15.2%	6.1%	5.6%	5.4%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%



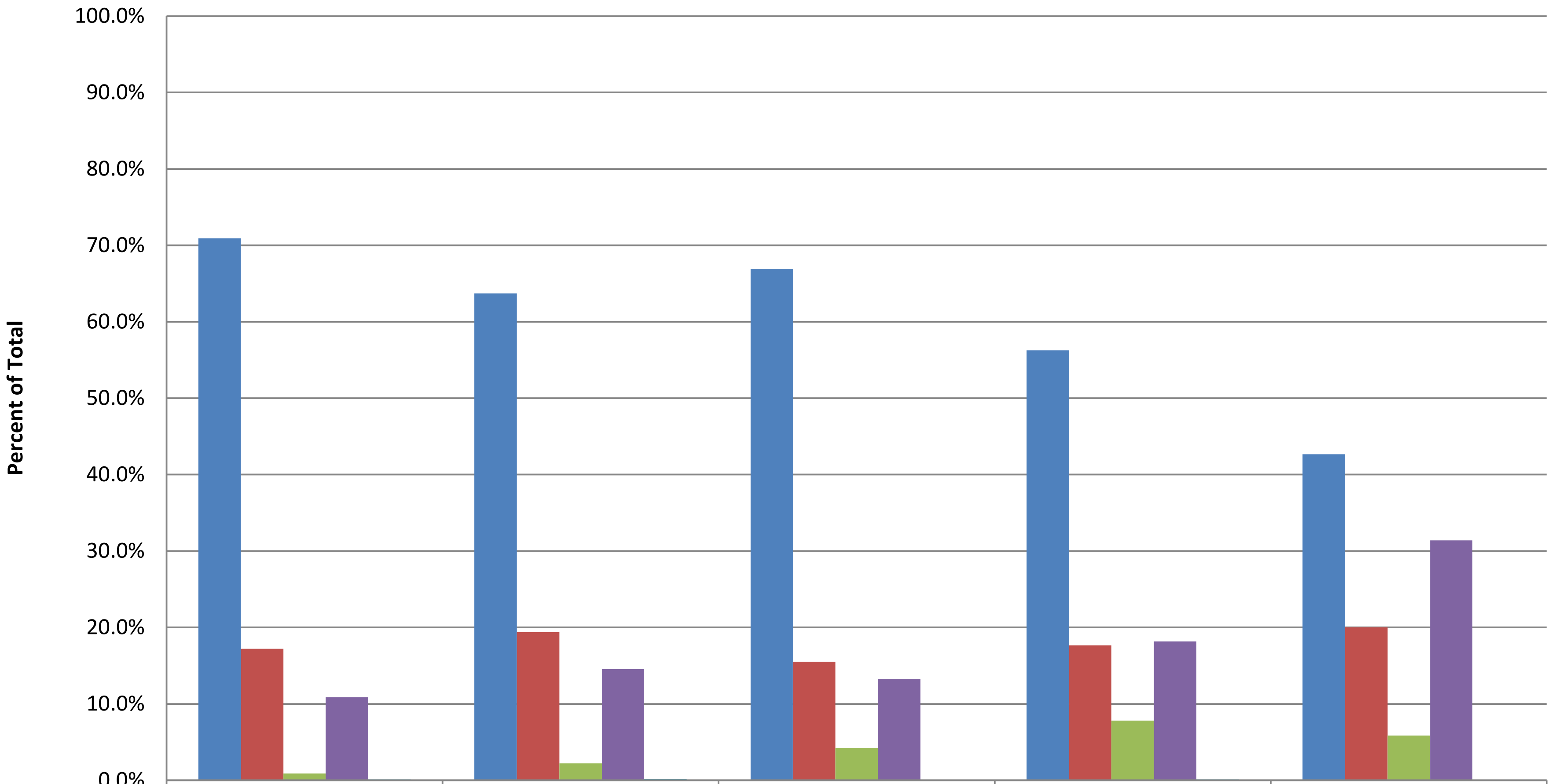
	2008	2009	2010	2011	2012
Whole Loans	98.3%	100.0%	82.5%	81.8%	86.7%
MBS/CMO	1.7%	0.0%	11.0%	4.6%	2.1%
Securities	0.0%	0.0%	2.1%	1.7%	0.6%
ORERC	0.0%	0.0%	4.4%	11.9%	10.6%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%



	2008	2009	2010	2011	2012
Whole Loans	68.5%	59.6%	72.3%	75.2%	79.9%
MBS/CMO	15.8%	8.6%	11.3%	13.2%	12.7%
Securities	0.2%	0.2%	0.7%	1.1%	0.2%
ORERC	15.6%	31.6%	15.6%	10.5%	7.2%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%

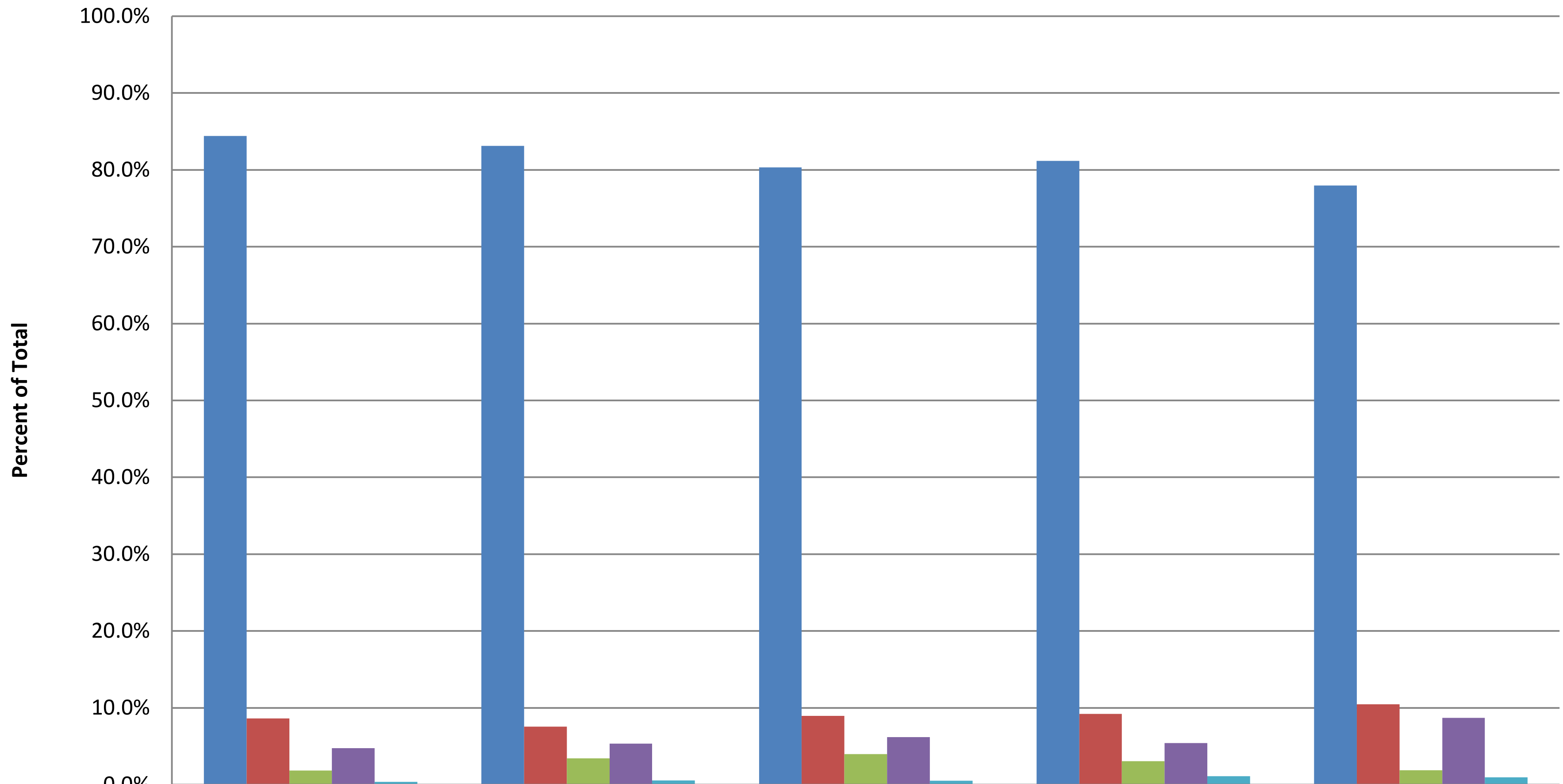


	2008	2009	2010	2011	2012
Whole Loans	76.0%	78.6%	79.2%	78.0%	66.9%
MBS/CMO	9.4%	9.4%	11.4%	12.0%	20.0%
Securities	1.0%	6.2%	2.7%	5.0%	2.5%
ORERC	13.6%	5.8%	6.5%	4.9%	10.4%
CFI	0.0%	0.0%	0.2%	0.2%	0.2%

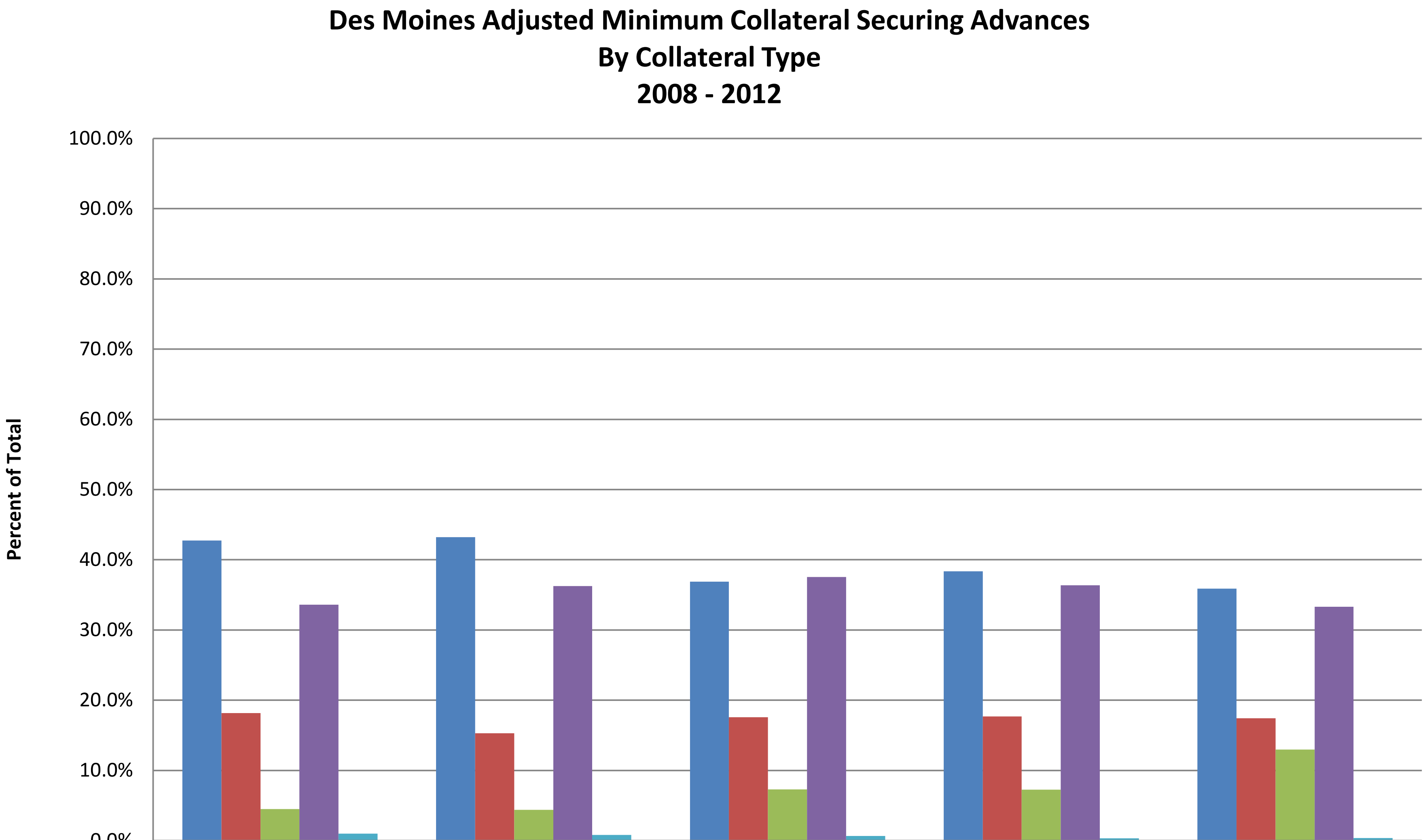


	2008	2009	2010	2011	2012
Whole Loans	70.9%	63.7%	66.9%	56.3%	42.7%
MBS/CMO	17.2%	19.4%	15.5%	17.7%	20.0%
Securities	0.9%	2.2%	4.3%	7.8%	5.9%
ORERC	10.9%	14.5%	13.3%	18.2%	31.4%
CFI	0.1%	0.2%	0.0%	0.1%	0.1%

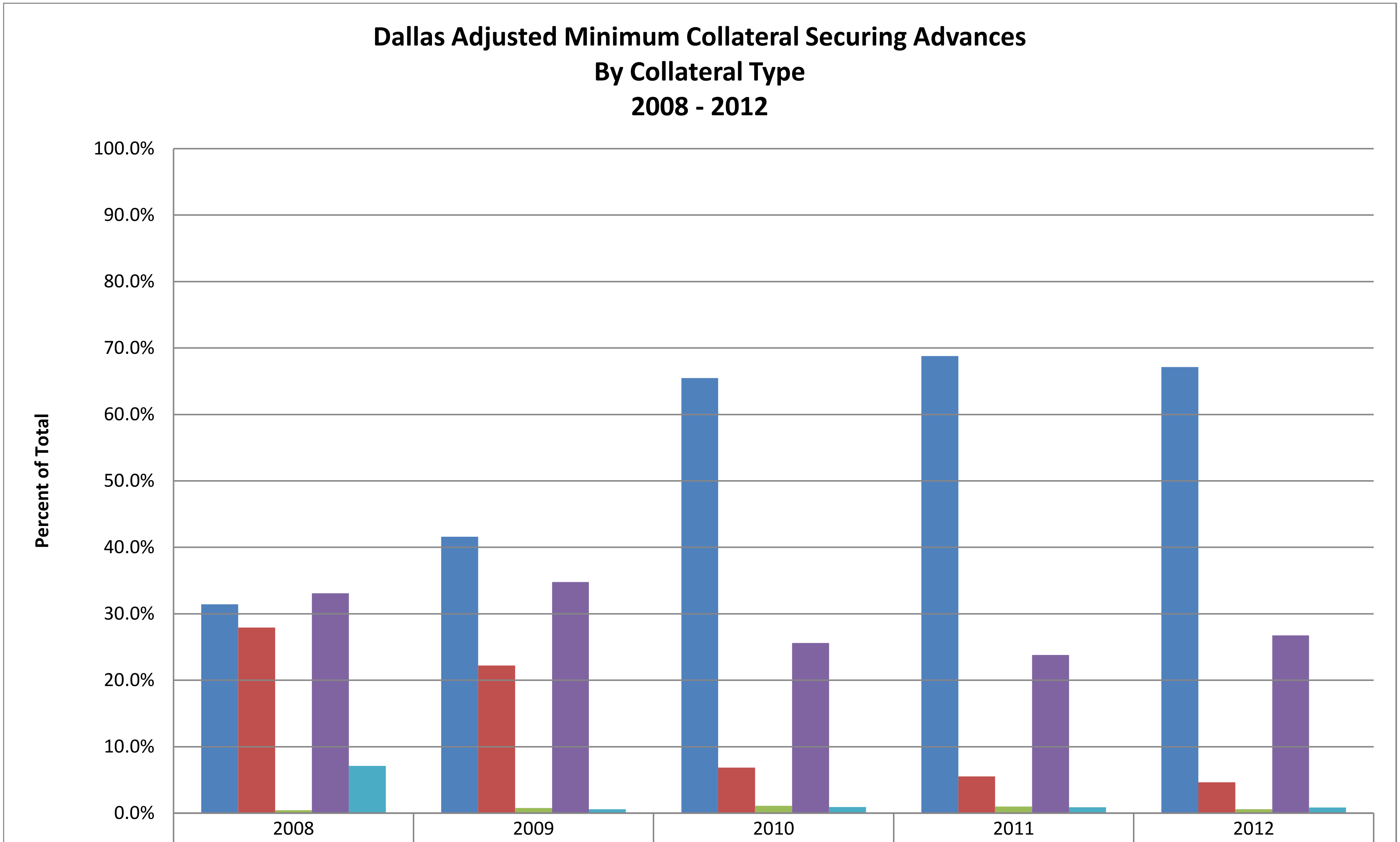
Chicago Adjusted Minimum Collateral Securing Advances
By Collateral Type
2008 - 2012



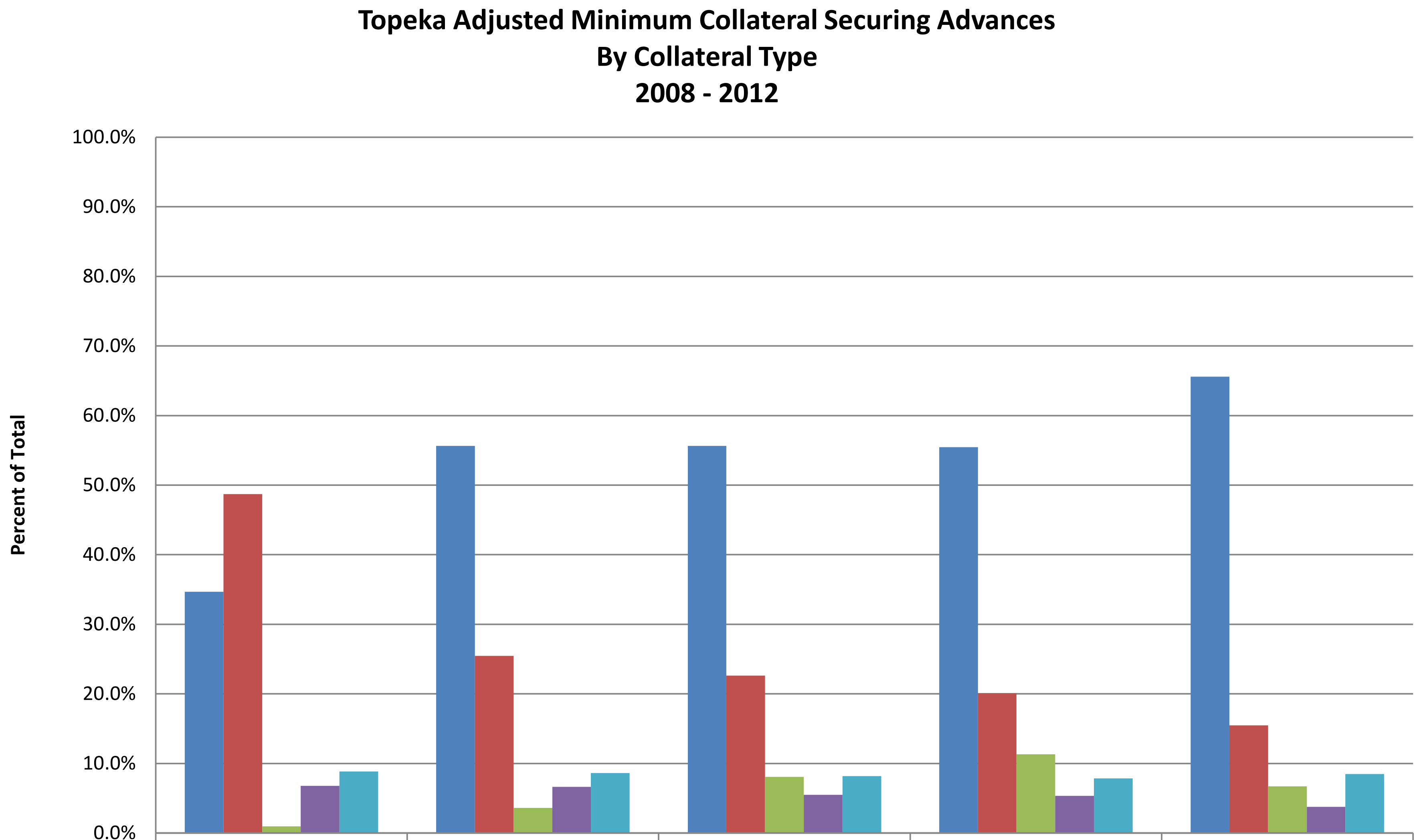
	2008	2009	2010	2011	2012
Whole Loans	84.4%	83.1%	80.3%	81.2%	78.0%
MBS/CMO	8.6%	7.6%	9.0%	9.2%	10.5%
Securities	1.8%	3.4%	4.0%	3.1%	1.9%
ORERC	4.8%	5.3%	6.2%	5.4%	8.7%
CFI	0.4%	0.6%	0.5%	1.1%	1.0%



	2008	2009	2010	2011	2012
Whole Loans	42.7%	43.2%	36.9%	38.3%	35.9%
MBS/CMO	18.2%	15.3%	17.6%	17.7%	17.4%
Securities	4.5%	4.4%	7.3%	7.3%	13.0%
ORERC	33.6%	36.3%	37.6%	36.4%	33.3%
CFI	1.0%	0.8%	0.7%	0.3%	0.4%

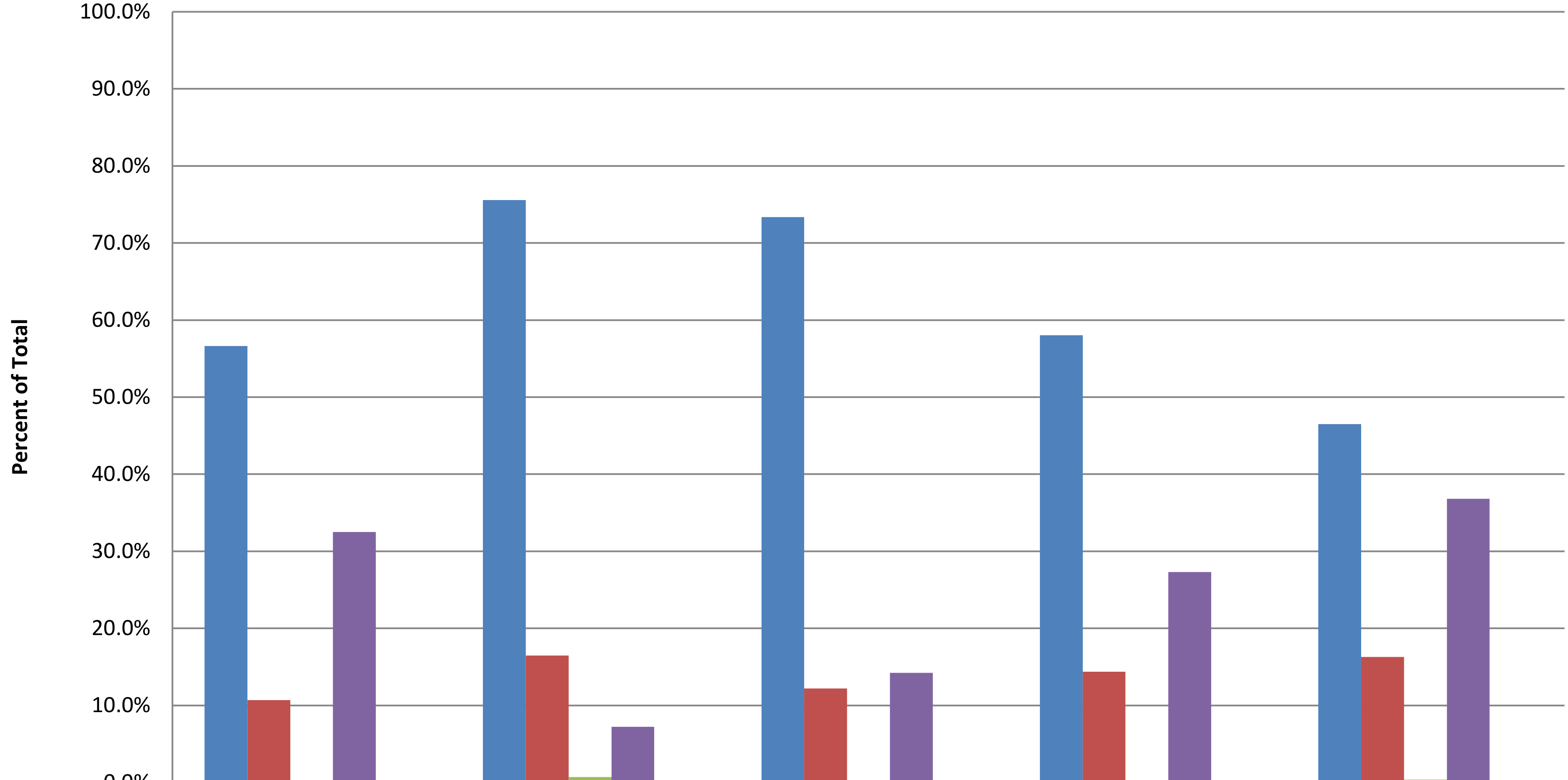


	2008	2009	2010	2011	2012
Whole Loans	31.4%	41.6%	65.5%	68.8%	67.1%
MBS/CMO	27.9%	22.2%	6.8%	5.5%	4.7%
Securities	0.4%	0.8%	1.1%	1.0%	0.6%
ORERC	33.1%	34.8%	25.6%	23.8%	26.8%
CFI	7.1%	0.6%	0.9%	0.9%	0.9%

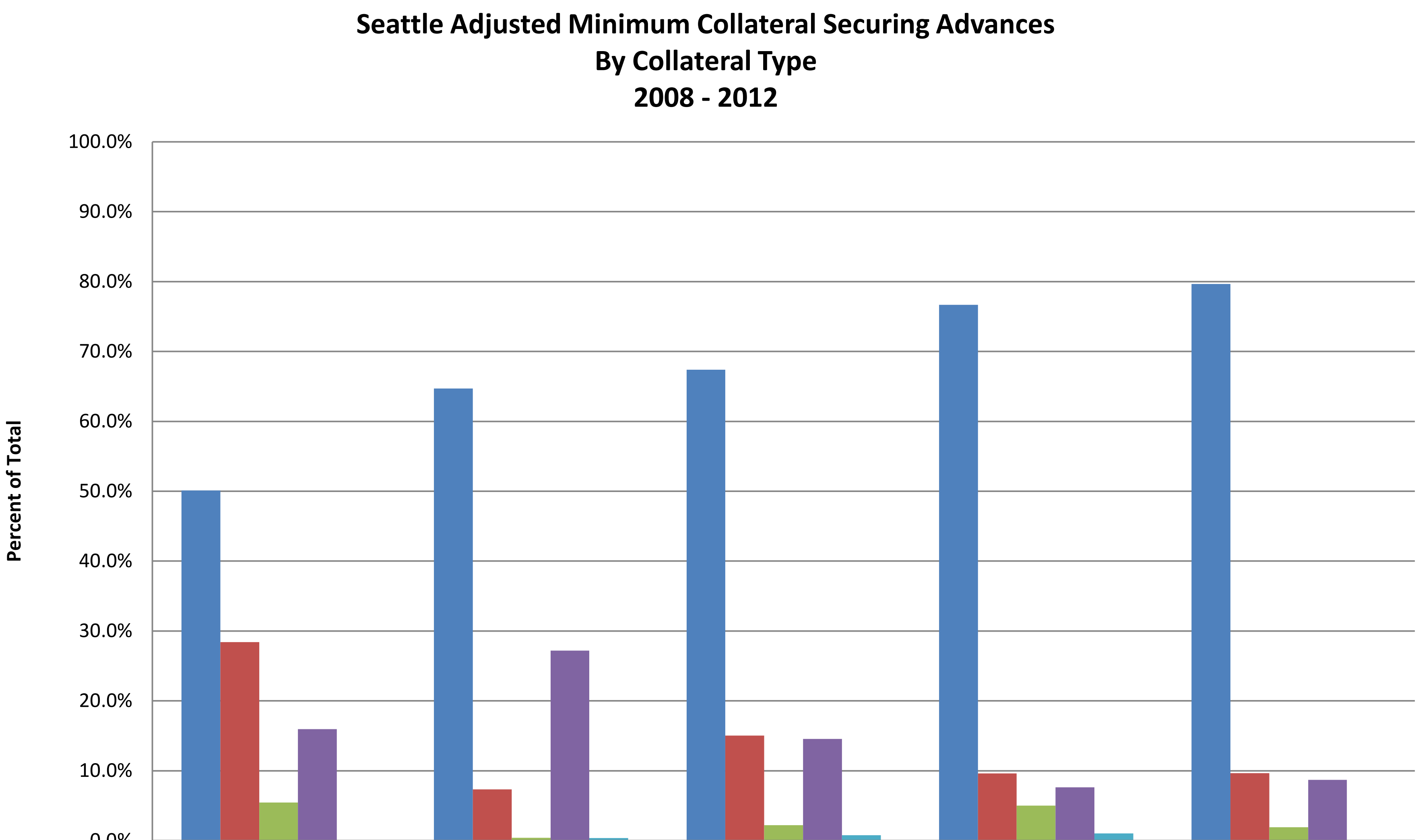


	2008	2009	2010	2011	2012
Whole Loans	34.7%	55.6%	55.6%	55.4%	65.6%
MBS/CMO	48.7%	25.5%	22.6%	20.1%	15.5%
Securities	1.0%	3.6%	8.1%	11.3%	6.7%
ORERC	6.8%	6.6%	5.5%	5.4%	3.8%
CFI	8.9%	8.6%	8.2%	7.8%	8.5%

San Francisco Adjusted Minimum Collateral Securing Advances
By Collateral Type
2008 - 2012



	2008	2009	2010	2011	2012
Whole Loans	56.6%	75.6%	73.4%	58.0%	46.5%
MBS/CMO	10.7%	16.5%	12.2%	14.4%	16.3%
Securities	0.1%	0.7%	0.2%	0.2%	0.4%
ORERC	32.5%	7.2%	14.2%	27.3%	36.8%
CFI	0.1%	0.0%	0.0%	0.0%	0.0%



	2008	2009	2010	2011	2012
Whole Loans	50.1%	64.7%	67.4%	76.7%	79.7%
MBS/CMO	28.4%	7.3%	15.0%	9.6%	9.7%
Securities	5.4%	0.4%	2.2%	5.0%	1.9%
ORERC	16.0%	27.2%	14.6%	7.6%	8.7%
CFI	0.1%	0.4%	0.8%	1.0%	0.0%

4. Collateral Coverage by Member Asset Size

For year-end 2012, the FHLBanks reported adjusted minimum collateral securing advances in four member asset size categories: less than $100 million in assets; greater than $100 million but less than the CFI limit; greater than the CFI limit to $10 billion in assets; and greater than $10 billion in assets.

The System-wide average adjusted minimum collateral-to-advances coverage ratio was 127 percent for year-end 2012, a decrease of one percentage point from a year earlier. At the System level, the collateral coverage ratio was lowest for the largest member category and highest for the second smallest member size category. One would need additional information at the FHLBank level to determine the exact reasons for differences in coverage ratios across the member asset-size groups. However, higher collateral coverage ratios are required for members that tend to secure advances under blanket pledge agreements, which is often the type of pledge agreement made by small to medium-sized members. Larger members may have more detailed asset management systems and often provide additional information about their collateral pledged, which may allow them to obtain higher borrowing capacity from their collateral.

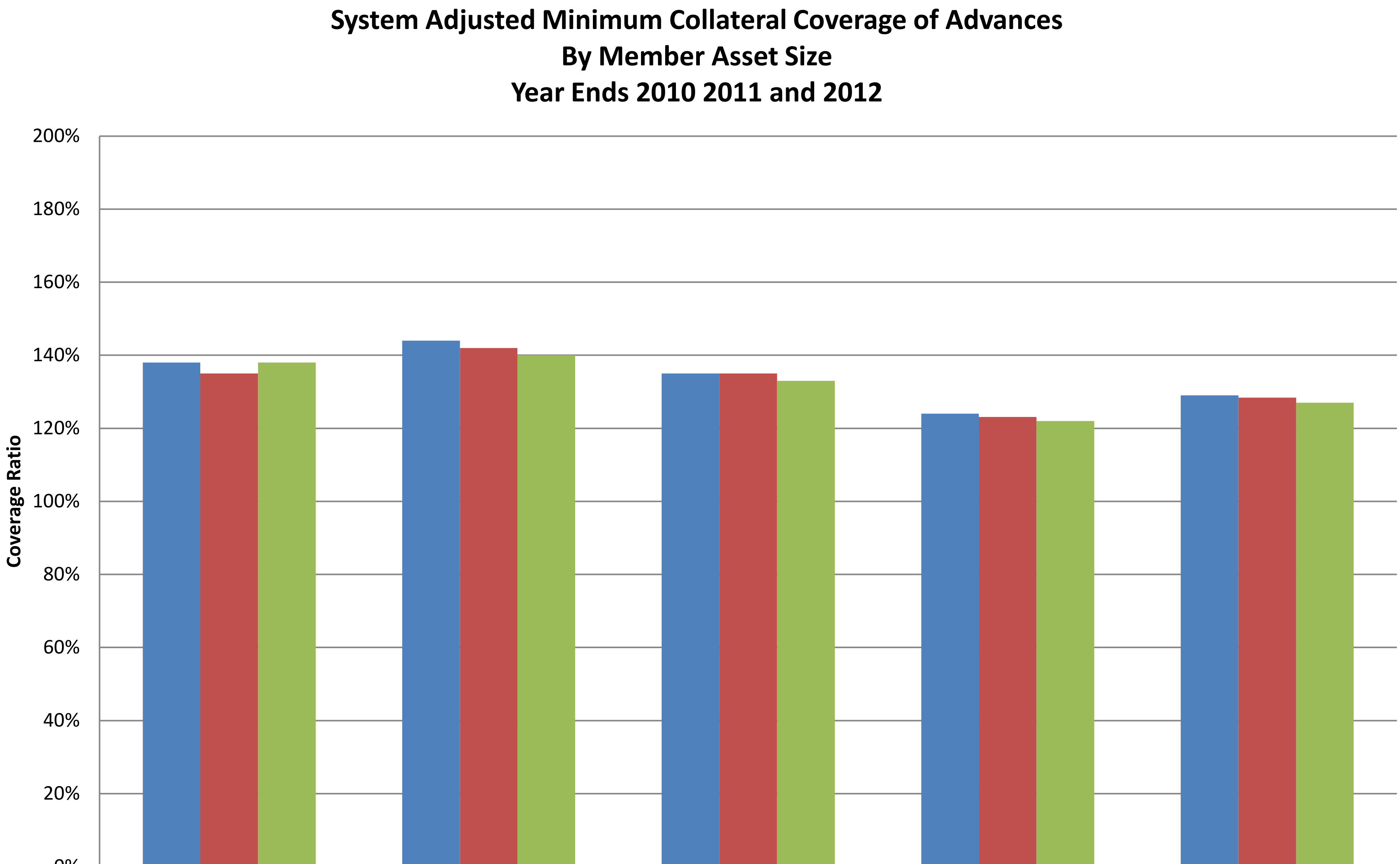
The pattern of collateral coverage ratios varied across the individual FHLBanks. The member collateral coverage ratios at the FHLBanks of Boston, New York, Pittsburgh, San Francisco and Seattle were fairly uniform across all member size categories at year-end 2012, with differences between the highest and lowest member group ratios of only four to twelve percentage points. The FHLBank of Dallas reported greater variation in coverage ratios by member size with differences between the highest and lowest member group ratios of 59 percentage points. The FHLBank of Dallas also exhibited a different pattern of coverage ratios, with their largest members having the highest average collateral coverage ratio.

As described earlier in this report, FHFA instructs the FHLBanks to report the value of member securities collateral securing advances under delivery at the lesser of market or book value, prior to any discount. Several of the FHLBanks lend to their members utilizing a discount from the market value of securities collateral. If the market value exceeds the book value, the FHLBank may appear to hold less than sufficient collateral or show a low collateral coverage ratio in this reporting. The table below provides several examples where the market and book value coverage ratios differ.

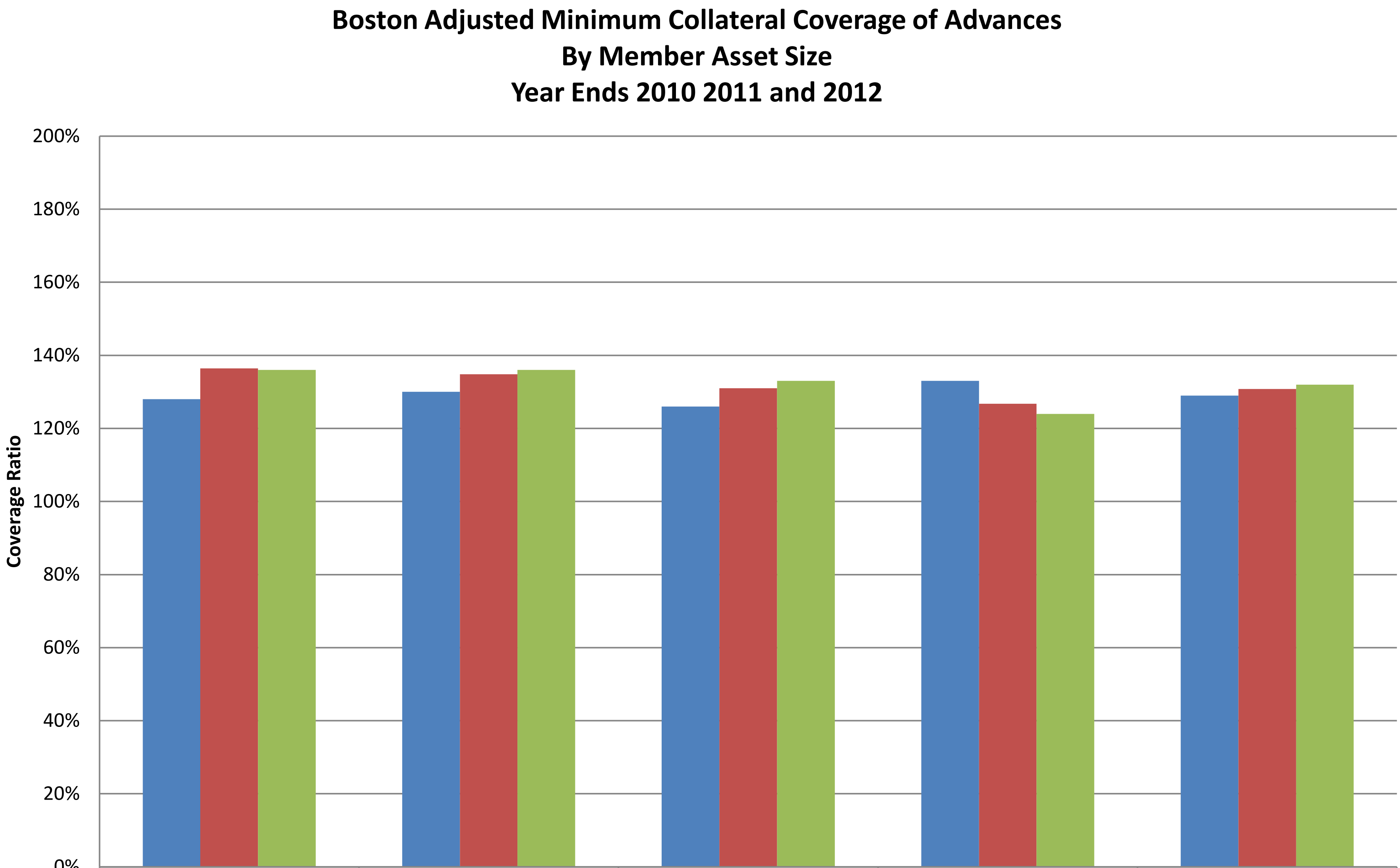
Examples of lesser of book or market value collateral reporting:

	FHLBank A	FHLBank A	FHLBank B	FHLBank B
Advances	$644,500,000	$7,611,250	$57,000,000	$13,848,550
Collateral Book Value	$621,992,810	$7,590,458	$60,109,930	$13,333,024
Collateral Market Value	$674,648,986	$7,863,348	$63,803,340	$14,125,521
Collateral Coverage Book	96.5%	99.7%	105.5%	96.3%
Collateral Coverage Market	104.7%	103.3%	111.9%	102%

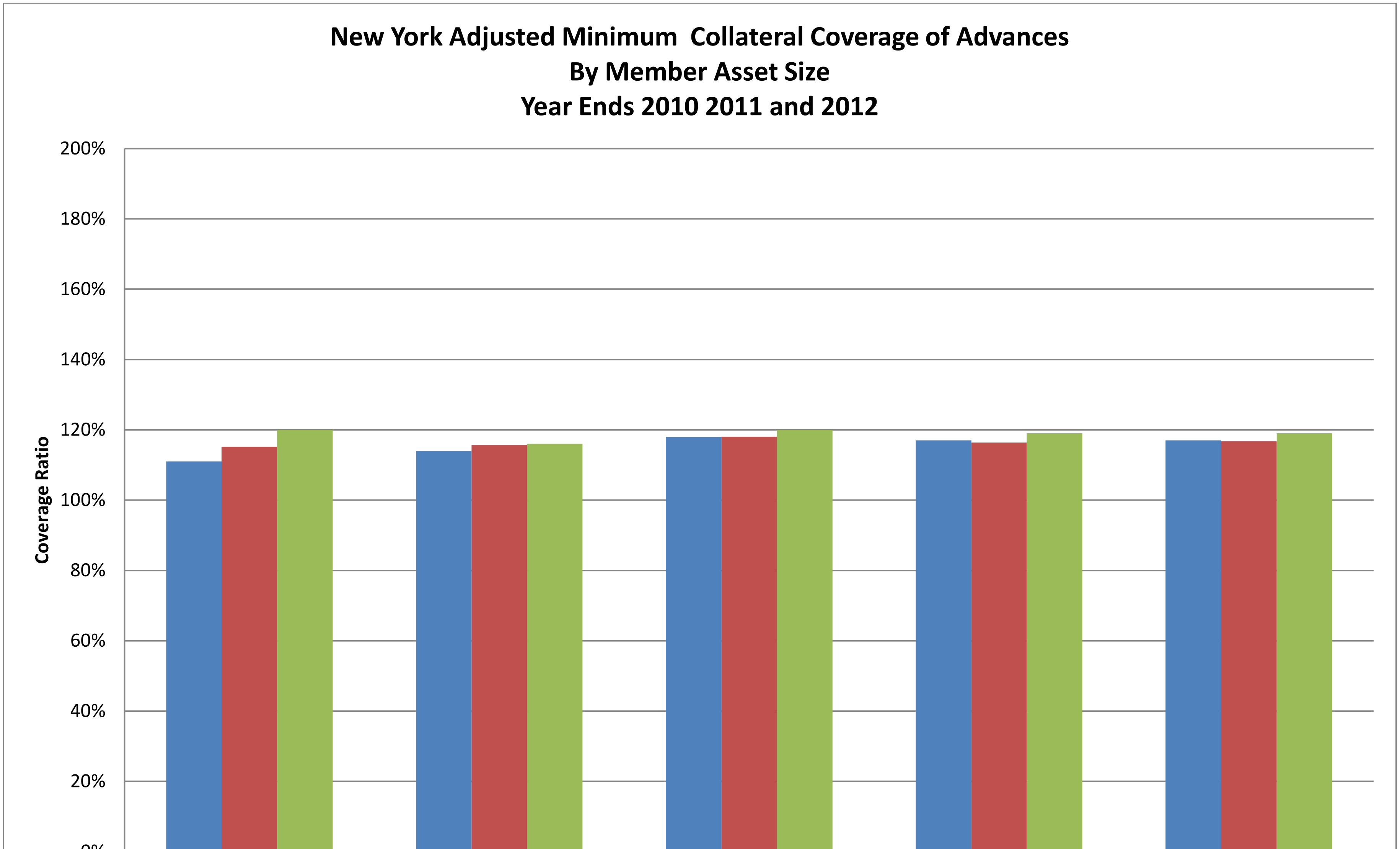
The following graphs illustrate collateral coverage ratios by FHLBank and member asset size.



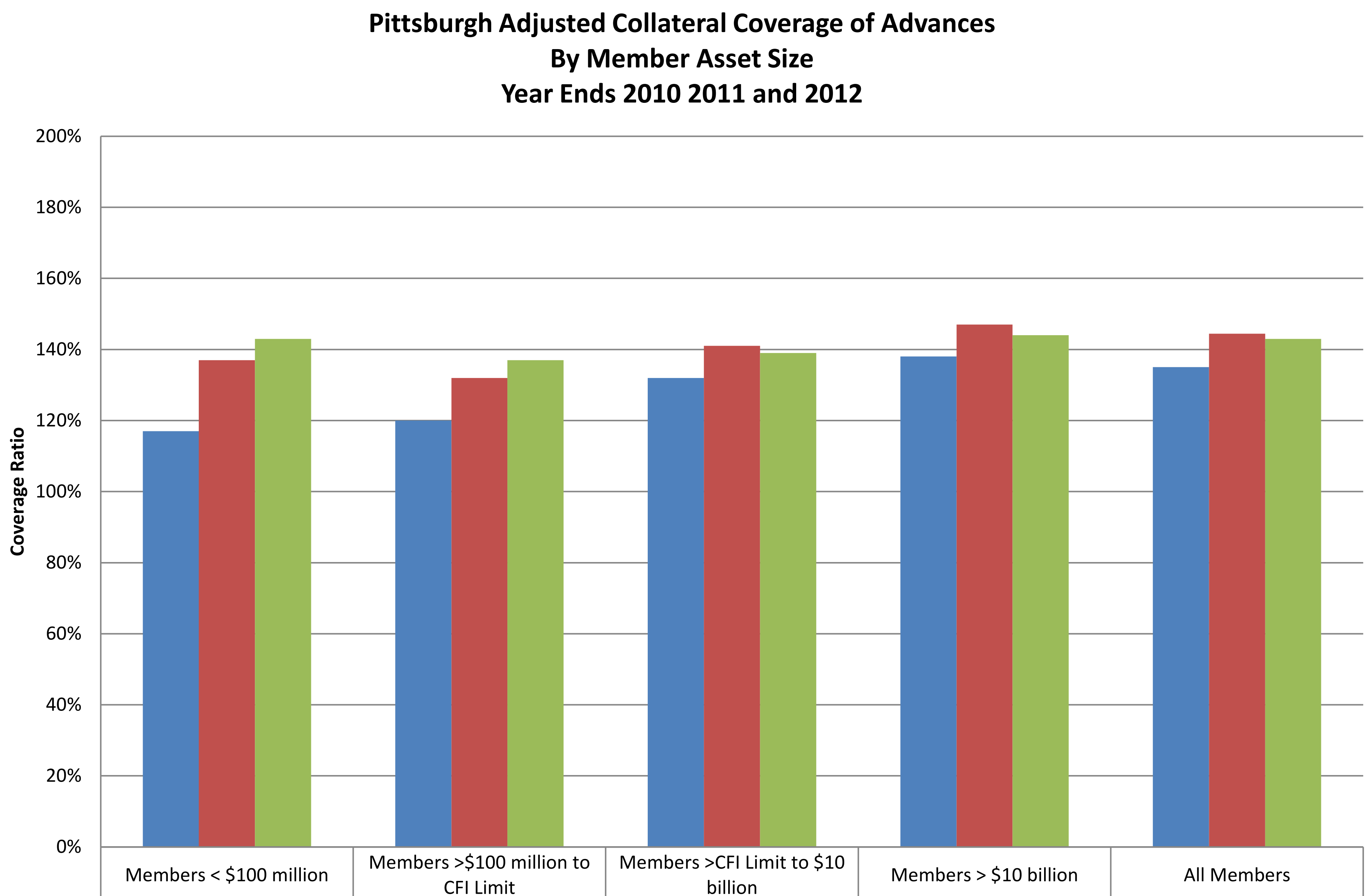
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	138%	144%	135%	124%	129%
2011	135%	142%	135%	123%	128%
2012	138%	140%	133%	122%	127%



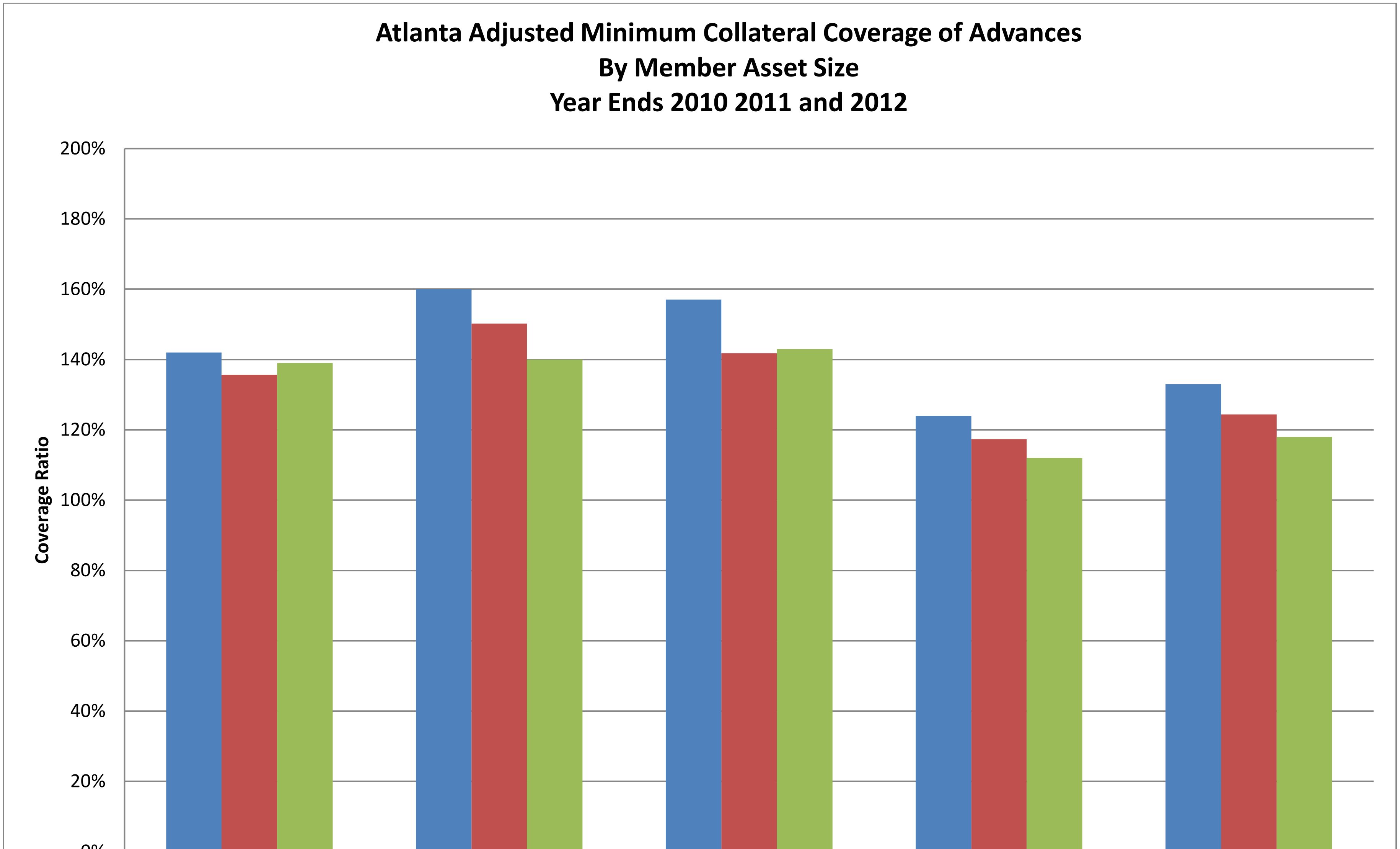
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	128%	130%	126%	133%	129%
2011	136%	135%	131%	127%	131%
2012	136%	136%	133%	124%	132%



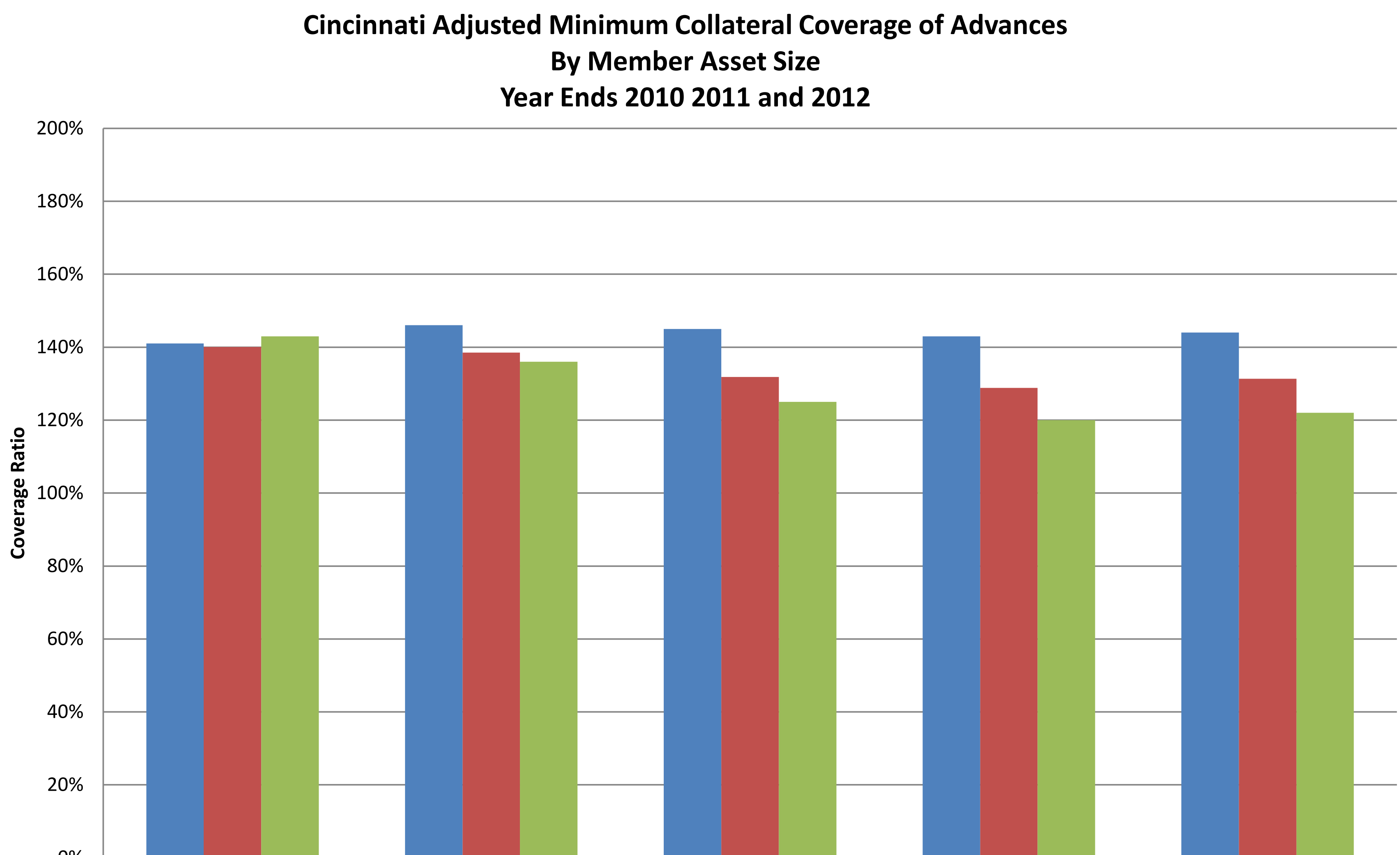
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	111%	114%	118%	117%	117%
2011	115%	116%	118%	116%	117%
2012	120%	116%	120%	119%	119%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	117%	120%	132%	138%	135%
2011	137%	132%	141%	147%	144%
2012	143%	137%	139%	144%	143%

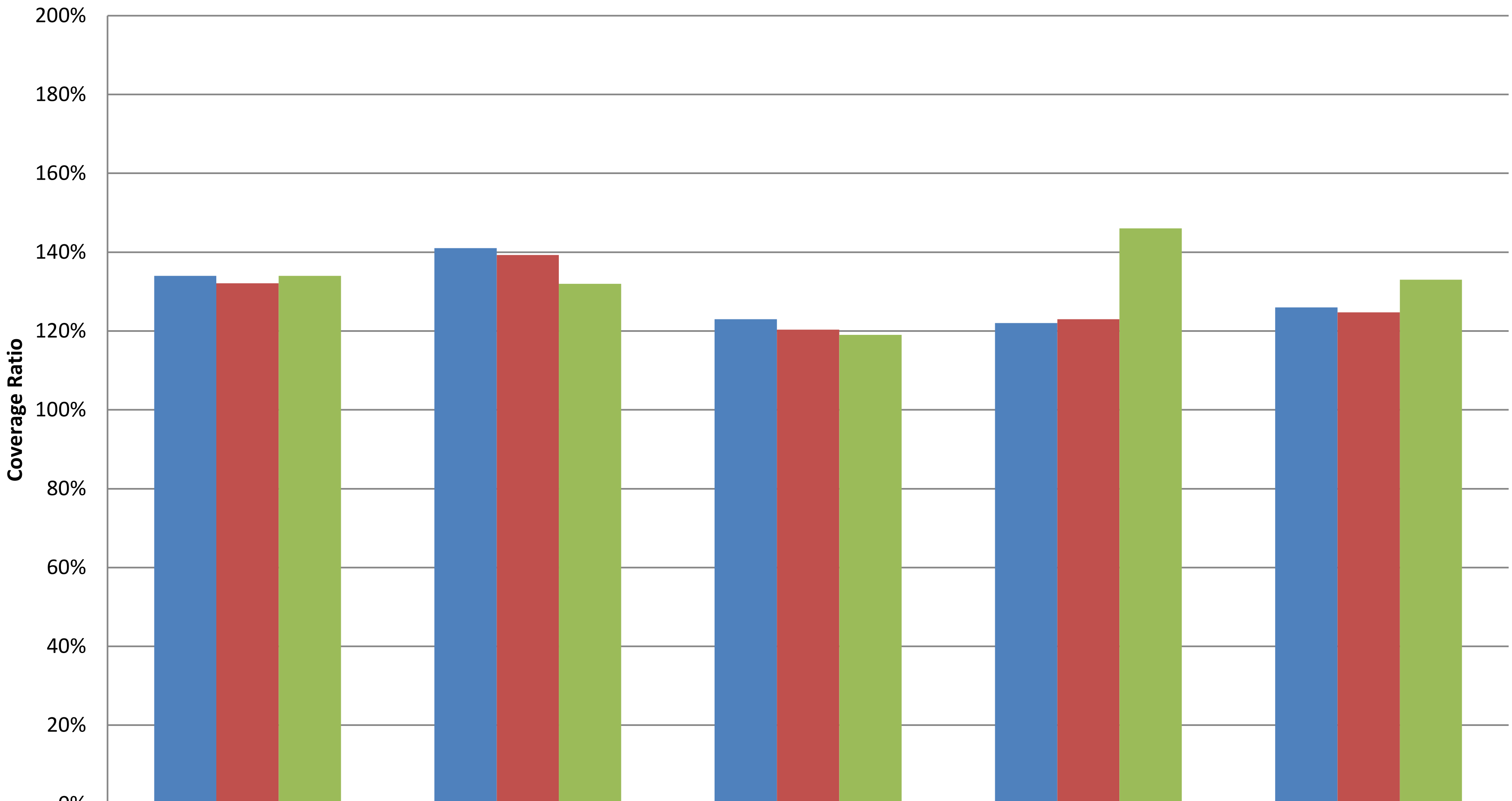


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	142%	160%	157%	124%	133%
2011	136%	150%	142%	117%	124%
2012	139%	140%	143%	112%	118%

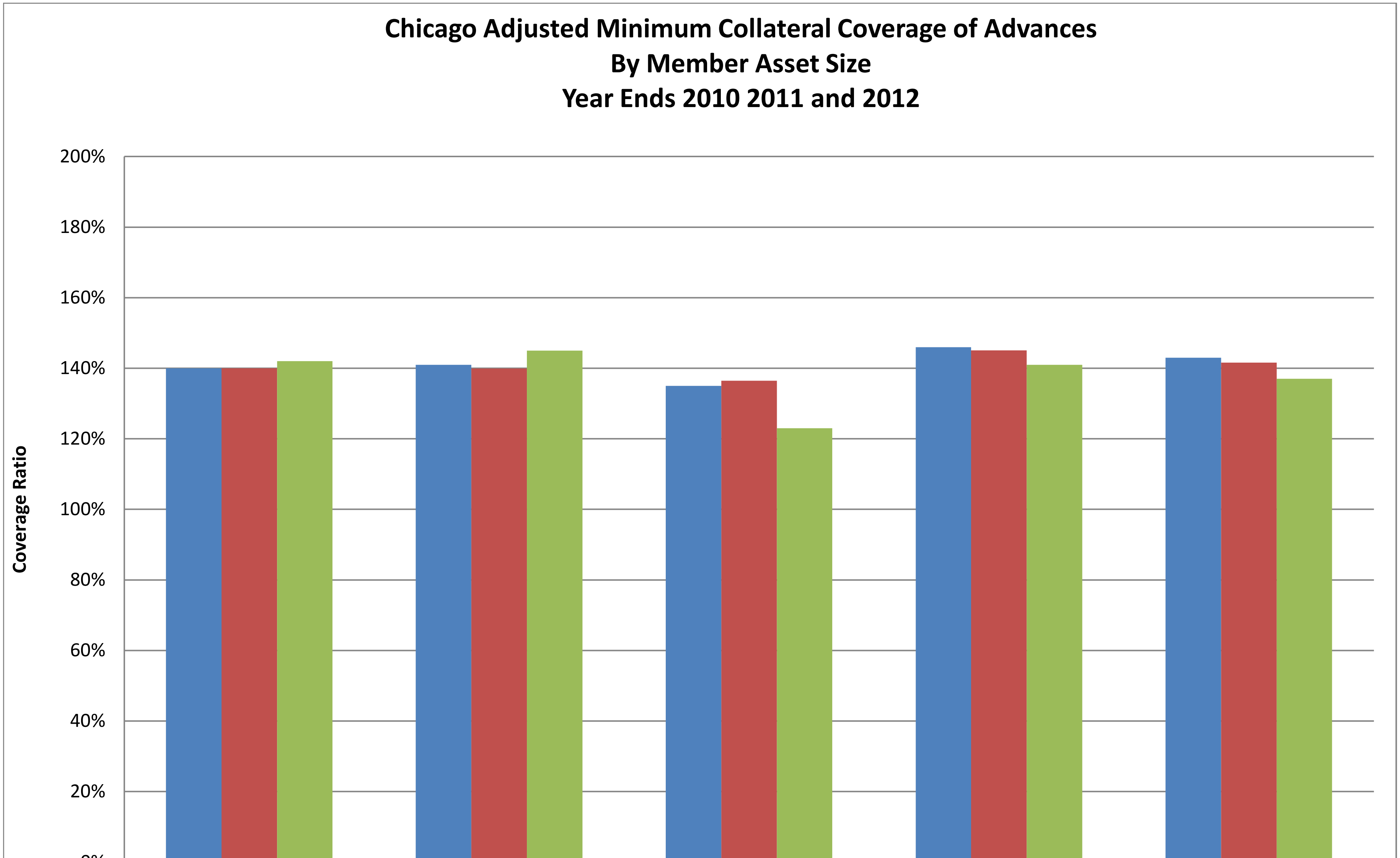


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	141%	146%	145%	143%	144%
2011	140%	138%	132%	129%	131%
2012	143%	136%	125%	120%	122%

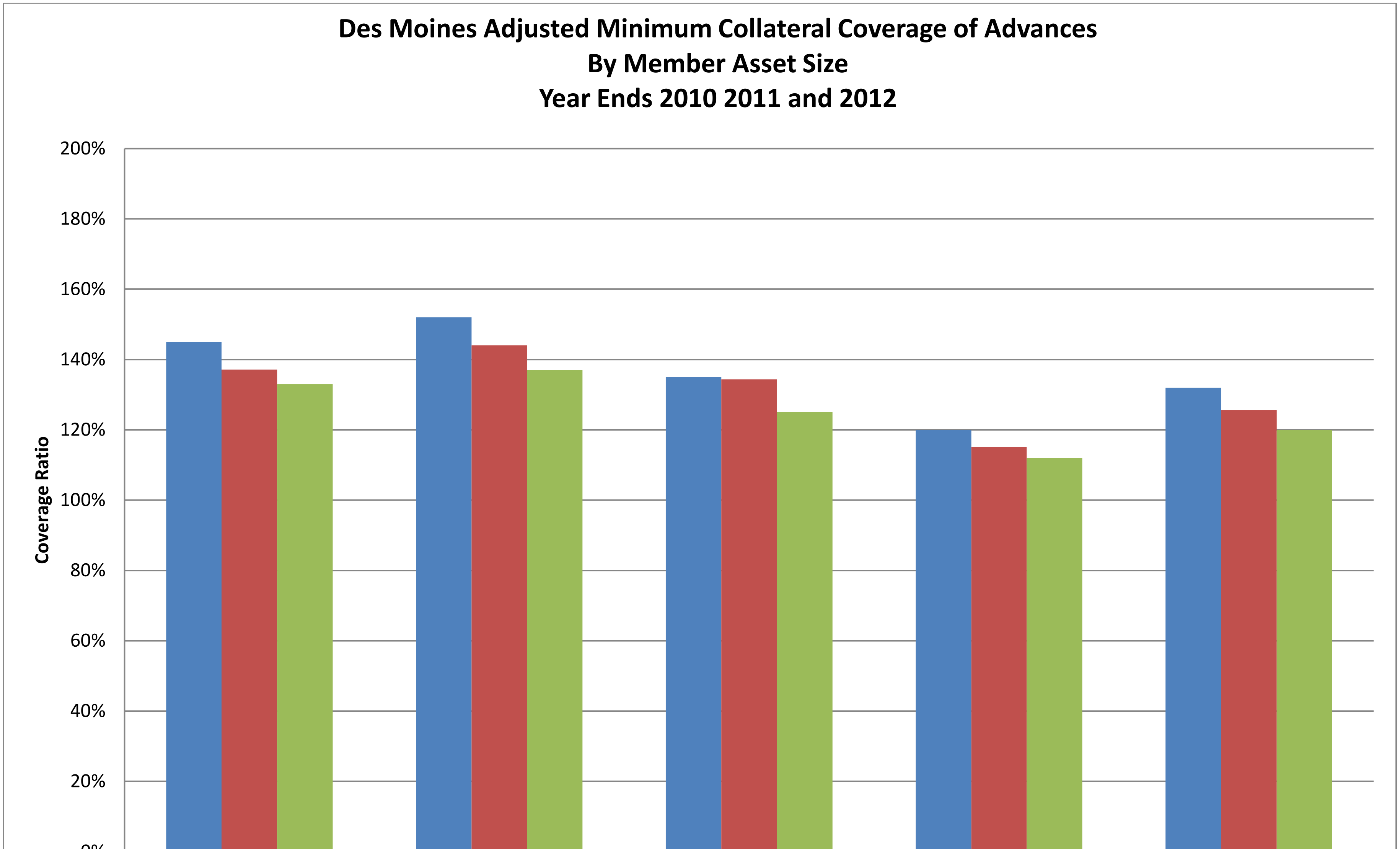
Indianapolis Adjusted Minimum Collateral Coverage of Advances
By Member Asset Size
Year Ends 2010 2011 and 2012



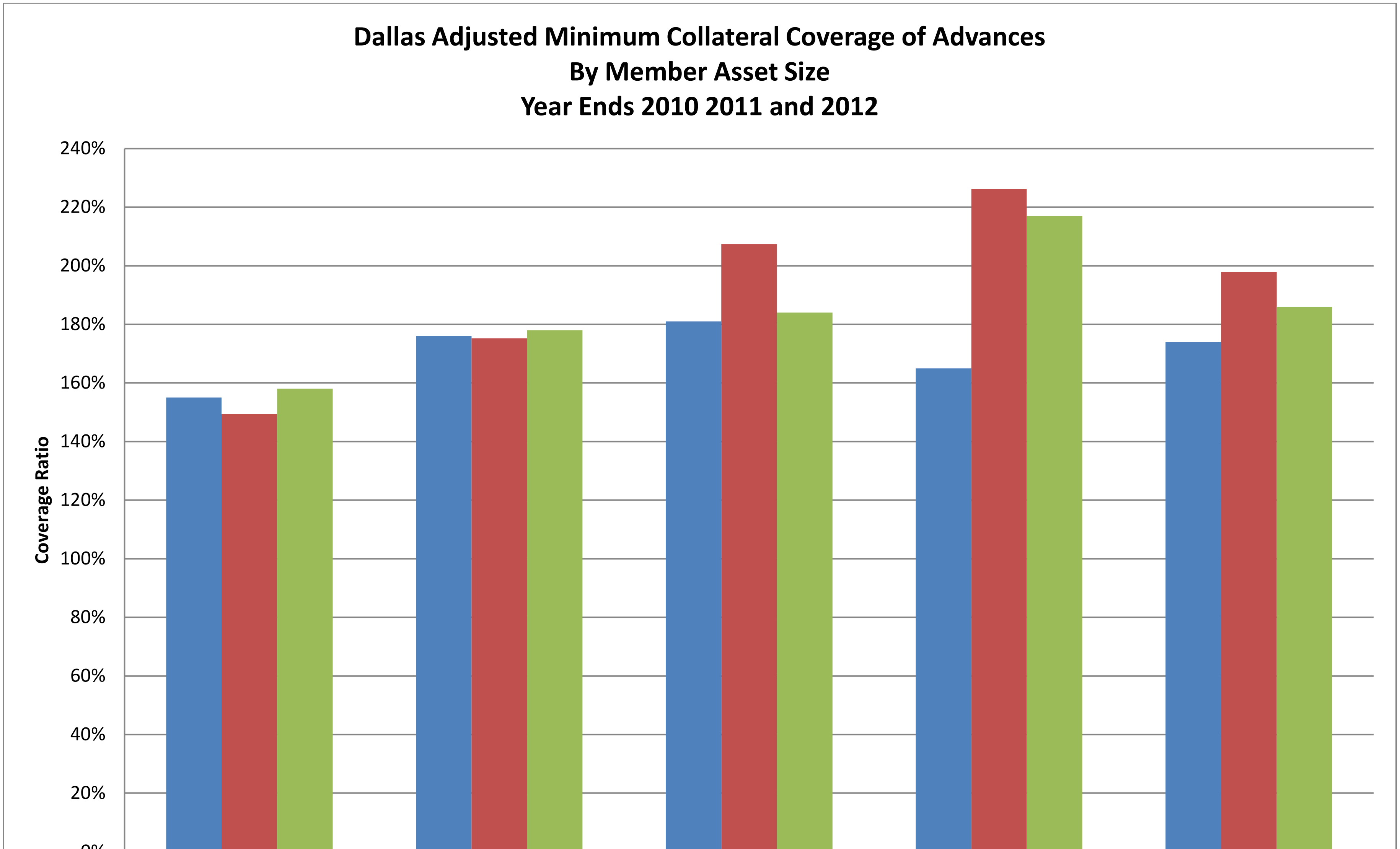
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	134%	141%	123%	122%	126%
2011	132%	139%	120%	123%	125%
2012	134%	132%	119%	146%	133%



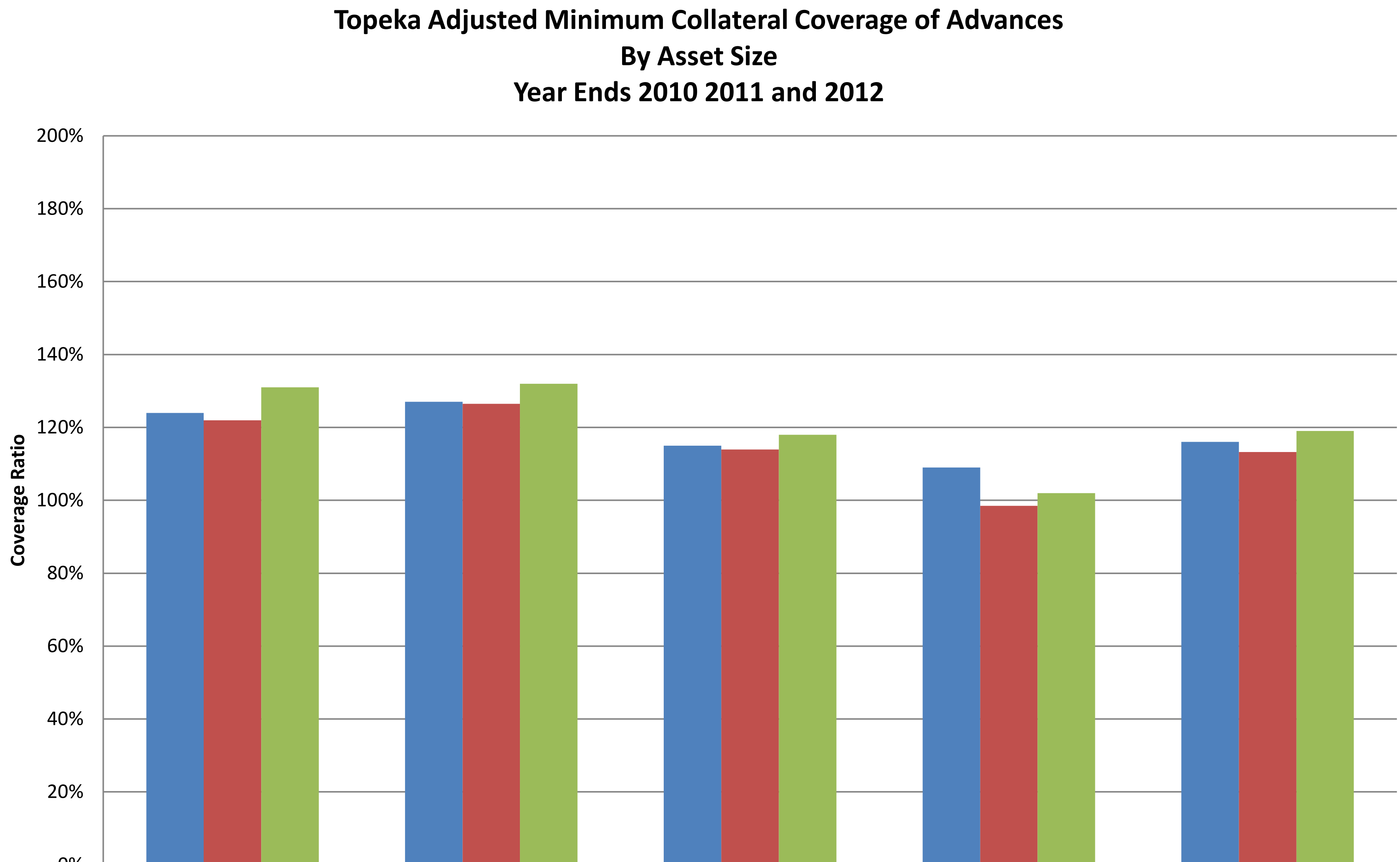
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	140%	141%	135%	146%	143%
2011	140%	140%	136%	145%	142%
2012	142%	145%	123%	141%	137%



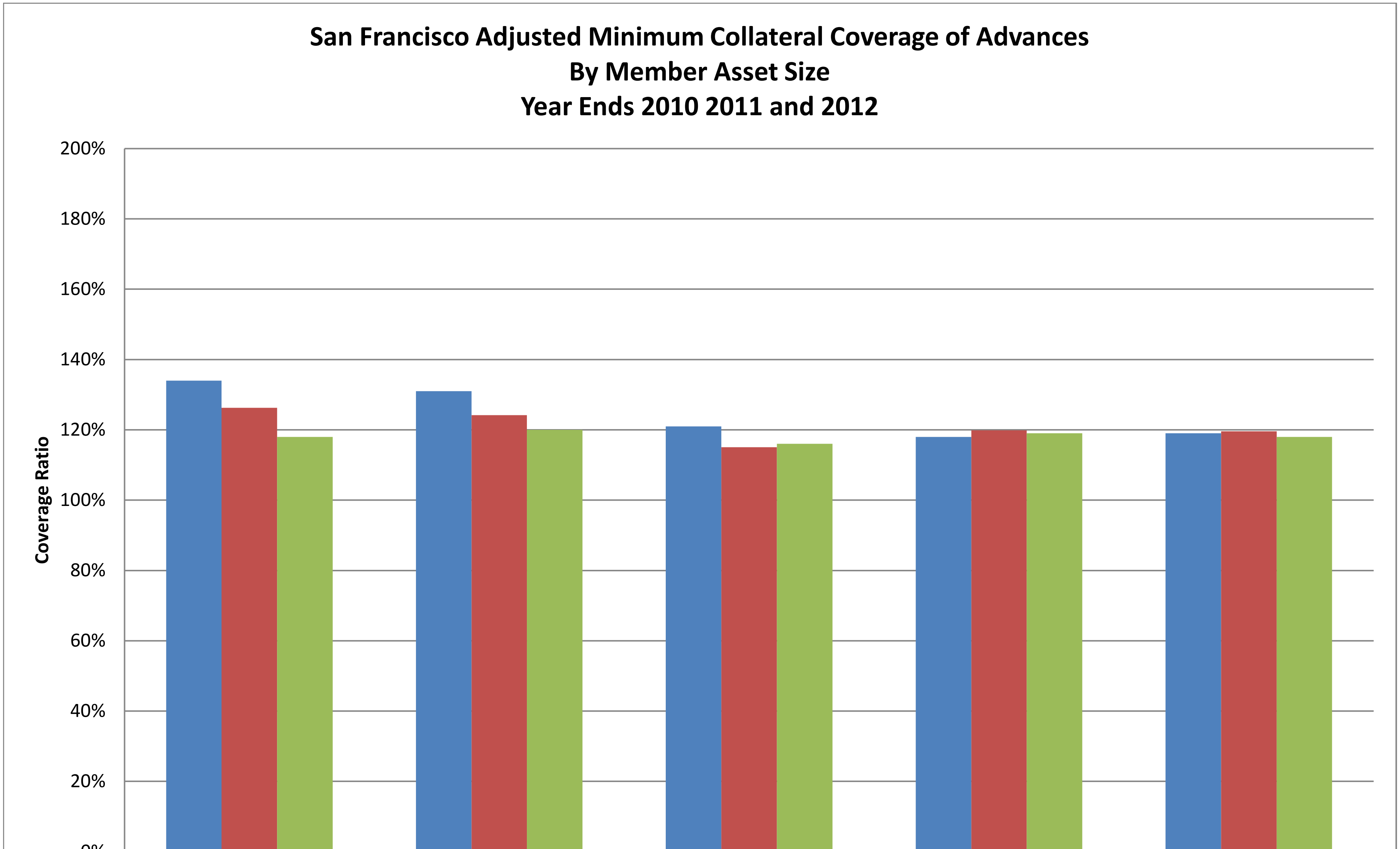
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	145%	152%	135%	120%	132%
2011	137%	144%	134%	115%	126%
2012	133%	137%	125%	112%	120%



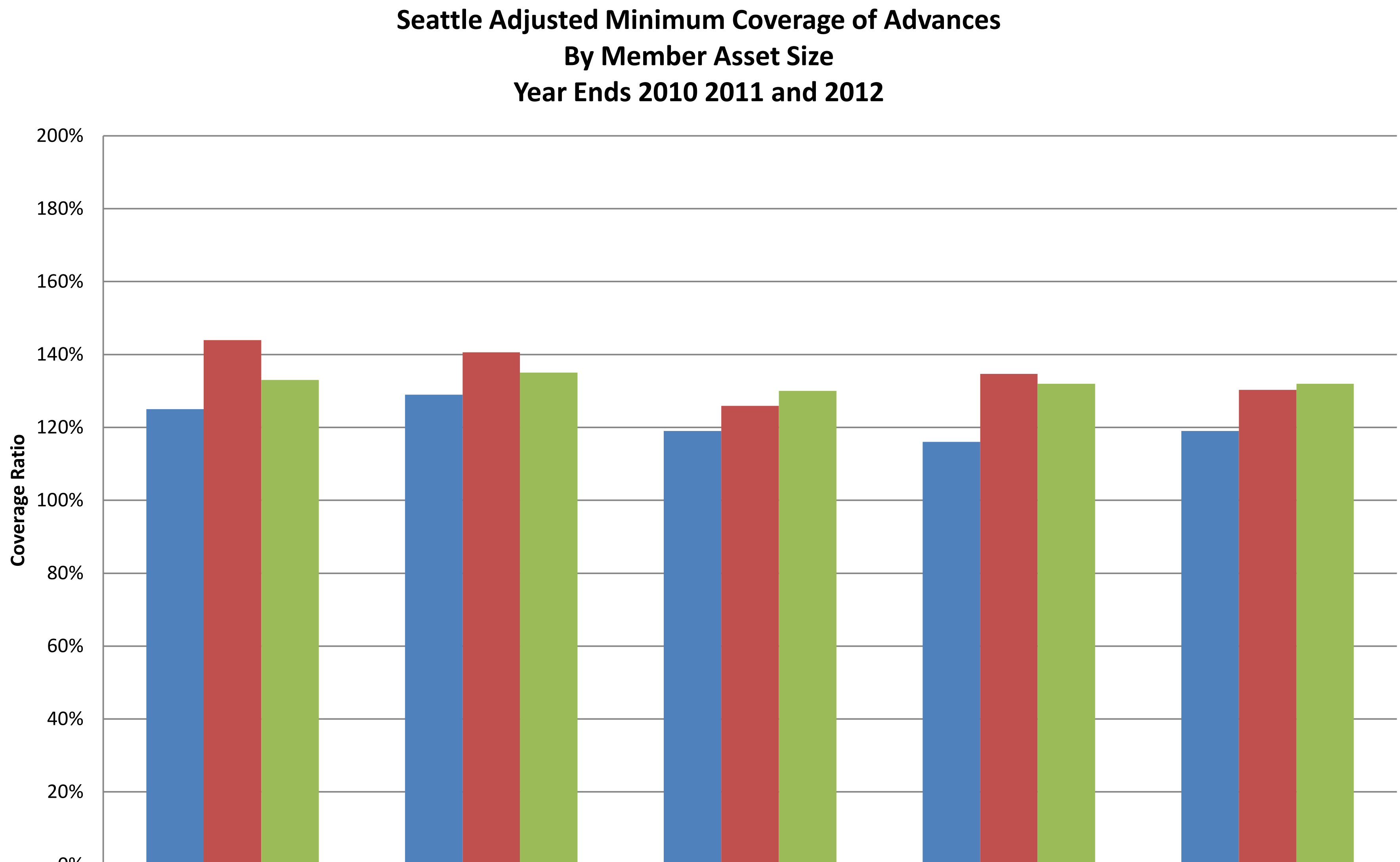
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	155%	176%	181%	165%	174%
2011	149%	175%	207%	226%	198%
2012	158%	178%	184%	217%	186%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	124%	127%	115%	109%	116%
2011	122%	126%	114%	99%	113%
2012	131%	132%	118%	102%	119%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	134%	131%	121%	118%	119%
2011	126%	124%	115%	120%	120%
2012	118%	120%	116%	119%	118%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2010	125%	129%	119%	116%	119%
2011	144%	141%	126%	135%	130%
2012	133%	135%	130%	132%	132%

5. Other Real Estate Related Collateral

The FHLBanks provide information as part of the Collateral Data Survey detailing the specific types of ORERC that they accept as collateral. Eligible ORERC at the FHLBanks may include commercial real estate loans, commercial mortgage-backed securities, second mortgage loans, home equity lines of credit, and mortgage loan participations. By regulation, to be eligible collateral, ORERC must have a readily ascertainable value, be able to be reliably discounted to account for liquidation and other risks, and be able to be liquidated in due course. Also, each FHLBank must be able to perfect a security interest in such collateral. Among the eligible collateral types accepted by the FHLBanks, ORERC is one of the most heavily discounted in terms of its value to secure advances.

All the FHLBanks report ORERC securing advances. At several FHLBanks, members must first exhaust their whole loans, U.S. Agency MBS/CMOs, and securities/deposits collateral prior to receiving borrowing capacity for ORERC.

The largest ORERC category is commercial real estate loans, followed by home equity lines of credit and securities. Six FHLBanks (Atlanta, Cincinnati, Dallas, Indianapolis, Topeka and Seattle) are not able to provide information regarding the specific type of commercial real estate loans pledged, *e.g.*, office, retail, industrial, lodging, or mixed-use. These FHLBanks allow members to secure advances utilizing commercial real estate loan collateral with a blanket pledge. Under a blanket pledge, members do not generally provide details about various types of commercial property loans and this information is also not available from primary regulatory agencies' Call Report data.

The following tables provide detailed information regarding the types of ORERC securing advances at the FHLBanks for the year-ends 2010, 2011 and 2012.

Collateral Securing Advances - ORERC

Table 5.1

Adjusted Minimum Collateral
As of December 31, 2012
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$270	$356	$5,496	$3,554	$489	$4,154	$36	$5,696	$6,369	$169	$3,206	$967	$30,762
Office	$103	$60	$0	-	-	-	$27	$1,285	-	-	$629	-	$2,104
Retail	$89	$98	$0	-	-	-	$9	$1,221	-	-	$417	-	$1,834
Industrial	$32	$18	$0	-	-	-	$0	$812	-	-	$255	-	$1,117
Lodging	$16	$14	$0	-	-	-	$0	$28	-	-	$135	-	$193
Mixed Use	$30	$166	$0	-	-	-	$0	$49	-	-	$299	-	$544
Other - No Detail Available	$0	$0	$5,496	$3,554	$489	$4,154	$0	$2,301	$6,369	$169	$1,471	$967	$24,970
2. Commercial 2nd Mortgages	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1
3. Residential Second Mortgage Loans	$0	$0	$256	$0	$0	$7	$240	$113	$136	$48	$98	$0	$898
4. Home Equity Lines of Credit	$1	$50	$288	$3,568	$24	$14	$1,011	$227	$0	$0	$11,722	$52	$16,957
5. Construction Loans	$0	$0	$0	$0	$0	$0	$0	$1	$358	$7	$0	$0	$366
Residential Construction (Single Family)	$0	$0	$0	$0	$0	$0	$0	$1	$358	$7	$0	$0	$366
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6. Securities	$0	$4,237	$0	$0	$6,326	$3,084	$425	$3,657	$22	$280	$4	$0	$18,035
CMBS	$0	$4,237	$0	$0	$6,326	$3,074	$171	$3,657	$3	$220	$4	$0	$17,692
HELOC Securities	$0	$0	$0	$0	$0	$10	$0	$0	$1	$0	$0	$0	$11
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Securities (SBA, SLMA, Municipal, etc.)	$0	$0	$0	$0	$0	$0	$254	$0	$18	$60	$0	$0	$332
7. Land Loans	$0	$0	$0	$0	$0	$0	$0	$651	$1,020	$196	$0	$0	$1,867
Farm Real Estate (Non-CFI)	$0	$0	$0	$0	$0	$0	$0	$651	$0	$196	$0	$0	$847
Other Land Loans (Land Development)	$0	$0	$0	$0	$0	$0	$0	$0	$1,020	$0	$0	$0	$1,020
8. Other	$0	$0	$0	$0	$0	$0	$0	$56	$1,027	$23	$3,767	$0	$4,873
Participated loans	$0	$0	$0	$0	$0	$0	$0	$56	$1,027	$15	$0	$0	$1,098
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8	$0	$0	$8
Reverse Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$558	$0	$558
Loans Covered by Loss Sharing Agreement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,209	$0	$3,209
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$271	$4,644	$6,040	$7,122	$6,839	$7,259	$1,712	$10,401	$8,932	$723	$18,797	$1,019	$73,759

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.2

Adjusted Minimum Collateral
As of December 31, 2011
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$111	$590	$3,484	$3,666	$574	$1,224	$0	$5,417	$7,184	$318	$3,690	$893	$27,151
Office	$37	$108	$0	-	-	-	$0	$850	-	-	$613	-	$1,608
Retail	$20	$191	$0	-	-	-	$0	$814	-	-	$392	-	$1,417
Industrial	$22	$55	$0	-	-	-	$0	$714	-	-	$311	-	$1,102
Lodging	$10	$18	$0	-	-	-	$0	$10	-	-	$138	-	$176
Mixed Use	$10	$217	$0	-	-	-	$0	$9	-	-	$283	-	$518
Other - No Detail Available	$13	$0	$3,484	$3,666	$574	$1,224	$0	$3,021	$7,184	$318	$1,953	$893	$22,330
2. Commercial 2nd Mortgages	$0	$1	$4	$0	$0	$0	$0	$0	$0	$0	$0	$191	$196
3. Residential Second Mortgage Loans	$0	$5	$1,543	$0	$2	$0	$58	$162	$180	$47	$180	$0	$2,176
4. Home Equity Lines of Credit	$0	$3	$0	$7,115	$98	$1	$931	$762	$0	$0	$13,501	$0	$22,410
5. Construction Loans	$0	$0	$2	$0	$0	$0	$0	$2	$306	$1	$0	$0	$311
Residential Construction (Single Family)	$0	$0	$2	$0	$0	$0	$0	$2	$0	$1	$0	$0	$5
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$306	$0	$0	$0	$306
6. Securities	$0	$3,815	$0	$0	$1,113	$2,799	$173	$4,562	$15	$556	$8	$0	$13,041
CMBS	$0	$3,815	$0	$0	$1,113	$2,789	$0	$4,562	$3	$456	$8	$0	$12,746
HELOC Securities	$0	$0	$0	$0	$0	$10	$0	$0	$0	$9	$0	$0	$19
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Securities (SBA, SLMA, Municipal, etc.)	$0	$0	$0	$0	$0	$0	$173	$0	$12	$91	$0	$0	$276
7. Land Loans	$0	$0	$0	$0	$0	$0	$0	$785	$918	$79	$0	$0	$1,782
Farm Real Estate	$0	$0	$0	$0	$0	$0	$0	$785	$0	$79	$0	$0	$864
Other Land Loans (Land Development)	$0	$0	$0	$0	$0	$0	$0	$0	$918	$0	$0	$0	$918
8. Other	$0	$0	$0	$0	$0	$0	$0	$36	$0	$20	$4,645	$0	$4,701
Participated loans	$0	$0	$0	$0	$0	$0	$0	$36	$0	$0	$0	$0	$36
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,645	$0	$4,645
Multi-family Second Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ineligible CRE Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20	$0	$0	$20
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$111	$4,413	$5,032	$10,780	$1,787	$4,024	$1,162	$11,728	$8,603	$1,021	$22,024	$1,084	$71,769

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.3

Adjusted Minimum Collateral
As of December 31, 2010
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$67	$1,297	$1,697	$5,542	$1,149	$994	$6	$6,687	$10,156	$323	$5,569	$1,873	$35,360
Office	$46	$244	$0	-	-	-	$3	$880	-	-	$634	-	$1,806
Retail	$13	$455	$0	-	-	-	$3	$992	-	-	$1,115	-	$2,578
Industrial	$8	$142	$0	-	-	-	$0	$829	-	-	$503	-	$1,481
Lodging	$0	$27	$0	-	-	-	$0	$7	-	-	$637	-	$672
Mixed Use	$0	$141	$0	-	-	-	$0	$40	-	-	$369	-	$550
Other - No Detail Available	$0	$288	$1,697	$5,542	$1,149	$994	$0	$3,940	$10,156	$323	$2,311	$1,873	$28,273
2. Commercial 2nd Mortgages	$0	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2
3. Residential Second Mortgage Loans	$3	$29	$0	$0	$8	$0	$99	$293	$429	$34	$1,908	$219	$3,022
4. Home Equity Lines of Credit	$85	$0	$0	$12,211	$96	$3	$1,099	$1,707	$0	$0	$8,573	$0	$23,774
5. Construction Loans	$0	$0	$0	$0	$0	$0	$0	$2	$181	$10	$0	$0	$193
Residential Construction (Single Family)	$0	$0	$0	$0	$0	$0	$0	$2	$0	$10	$0	$0	$12
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$181	$0	$0	$0	$181
6. Securities	$0	$4,152	$0	$0	$1,364	$1,960	$139	$4,367	$5	$754	$0	$157	$12,898
CMBS	$0	$4,152	$0	$0	$1,364	$1,960	$0	$4,364	$0	$698	$0	$157	$12,695
HELOC Securities	$0	$0	$0	$0	$0	$0	$0	$3	$0	$56	$0	$0	$59
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Securities (Specifiy) - Municipal Securities	$0	$0	$0	$0	$0	$0	$139	$0	$5	$0	$0	$0	$144
7. Land Loans	$0	$0	$0	$0	$141	$0	$0	$942	$422	$58	$0	$0	$1,563
Farm Real Estate	$0	$0	$0	$0	$141	$0	$0	$942	$0	$58	$0	$0	$1,141
Other Land Loans (Land Development)	$0	$0	$0	$0	$0	$0	$0	$0	$422	$0	$0	$0	$422
8. Other	$0	$0	$0	$0	$0	$0	$312	$98	$0	$30	$5	$0	$445
Participated loans	$0	$0	$0	$0	$0	$0	$261	$98	$0	$0	$5	$0	$364
Other (Specify)	$0	$0	$0	$0	$0	$0	$51	$0	$2	$0	$0	$0	$53
Multi-family Second Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ineligible CRE Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$30	$0	$0	$30
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$155	$5,481	$1,697	$17,753	$2,758	$2,957	$1,655	$14,095	$11,193	$1,209	$16,055	$2,249	$77,256

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.4

Total Collateral

As of December 31, 2012

($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$6,854	$24,268	$59,104	$38,710	$19,138	$10,209	$2,445	$23,273	$43,610	$8,569	$57,189	$9,864	$303,233
Office	$6,854	$6,142	$0	-	-	-	$420	$1,889	-	-	$5,762	-	$21,066
Retail	$0	$7,047	$0	-	-	-	$374	$1,822	-	-	$6,310	-	$15,553
Industrial	$0	$1,554	$0	-	-	-	$133	$1,172	-	-	$4,475	-	$7,334
Lodging	$0	$1,081	$0	-	-	-	$99	$28	-	-	$1,987	-	$3,195
Mixed Use	$0	$8,445	$0	-	-	-	$33	$55	-	-	$1,769	-	$10,302
Other - No Detail Available	$0	$0	$59,104	$38,710	$19,138	$10,209	$1,386	$18,307	$43,610	$8,569	$36,886	$9,864	$245,783
2. Commercial 2nd Mortgages	$0	$165	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$165
3. Residential Second Mortgage Loans	$843	$53	$5,983	$0	$1,758	$247	$1,418	$1,574	$748	$1,713	$6,108	$1,470	$21,915
4. Home Equity Lines of Credit	$12,567	$8,902	$32,187	$36,259	$22,290	$1,196	$7,160	$2,706	$0	$0	$20,719	$0	$143,986
5. Construction Loans	$0	$0	$1,265	$0	$0	$0	$0	$27	$2,876	$688	$0	$0	$4,856
Residential Construction (Single Family)	$0	$0	$1,265	$0	$0	$0	$0	$27	$2,876	$495	$0	$0	$4,663
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$193	$0	$0	$193
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6. Securities	$0	$5,183	$0	$0	$6,670	$3,220	$429	$5,021	$144	$369	$9	$0	$21,045
CMBS	$0	$5,183	$0	$0	$6,670	$3,200	$152	$5,021	$60	$273	$4	$0	$20,563
HELOC Securities	$0	$0	$0	$0	$0	$20	$0	$0	$1	$0	$0	$0	$21
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$4	$0	$0	$0	$4
Other Securities (SBA, SLMA, Municipal, etc.)	$0	$0	$0	$0	$0	$0	$277	$0	$79	$96	$5	$0	$457
7. Land Loans	$0	$0	$7,951	$0	$0	$0	$0	$6,138	$10,336	$639	$0	$0	$25,064
Farm Real Estate (Non-CFI)	$0	$0	$1,718	$0	$0	$0	$0	$6,138	$0	$639	$0	$0	$8,495
Other Land Loans (Land Development)	$0	$0	$6,233	$0	$0	$0	$0	$0	$10,336	$0	$0	$0	$16,569
8. Other	$0	$567	$0	$0	$0	$0	$0	$685	$1,449	$415	$4,112	$0	$7,228
Participated loans	$0	$544	$0	$0	$0	$0	$0	$685	$1,449	$24	$324	$0	$3,026
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$391	$0	$0	$391
Reverse Mortgage Loans	$0	$23	$0	$0	$0	$0	$0	$0	$0	$0	$579	$0	$602
Loans Covered by Loss Sharing Agreement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,209	$0	$3,209
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Warehouse and Jr Liens deducted from Single-fam	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$20,264	$39,138	$106,490	$74,969	$49,856	$14,872	$11,452	$39,424	$59,163	$12,393	$88,137	$11,334	$527,492

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.5

Total Collateral

As of December 31, 2011

($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$5,654	$21,680	$54,105	$39,178	$17,069	$8,943	$251	$24,318	$42,563	$8,432	$57,538	$10,102	$289,833
Office	$1,351	$5,768	$0	-	-	-	$113	$1,934	-	-	$6,355	-	$15,522
Retail	$1,289	$5,939	$0	-	-	-	$69	$1,663	-	-	$7,419	-	$16,380
Industrial	$751	$1,281	$0	-	-	-	$42	$1,317	-	-	$5,044	-	$8,435
Lodging	$489	$872	$0	-	-	-	$0	$36	-	-	$2,095	-	$3,492
Mixed Use	$519	$7,820	$0	-	-	-	$21	$44	-	-	$2,201	-	$10,604
Other - No Detail Available	$1,255	$0	$54,105	$39,178	$17,069	$8,943	$6	$19,324	$42,563	$8,432	$34,424	$10,102	$235,401
2. Commercial 2nd Mortgages	$0	$70	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$70
3. Residential Second Mortgage Loans	$1,060	$841	$8,624	$0	$2,115	$258	$1,271	$1,817	$962	$1,880	$6,410	$2,482	$27,720
4. Home Equity Lines of Credit	$11,537	$420	$26,131	$44,859	$24,060	$1,019	$5,682	$2,900	$0	$0	$21,921	$0	$138,530
5. Construction Loans	$0	$0	$1,207	$0	$0	$0	$0	$28	$2,645	$379	$0	$0	$4,258
Residential Construction (Single Family)	$0	$0	$1,207	$0	$0	$0	$0	$28	$0	$366	$0	$0	$1,601
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13	$0	$0	$13
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$2,645	$0	$0	$0	$2,645
6. Securities	$0	$5,654	$0	$0	$1,673	$3,348	$243	$5,857	$122	$605	$20	$0	$17,521
CMBS	$0	$5,654	$0	$0	$1,673	$3,333	$0	$5,857	$53	$492	$8	$0	$17,070
HELOC Securities	$0	$0	$0	$0	$0	$14	$0	$0	$1	$10	$0	$0	$25
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$4	$0	$0	$0	$4
Other Securities (SBA, SLMA, Municipal, etc.)	$0	$0	$0	$0	$0	$0	$243	$0	$64	$103	$12	$0	$422
7. Land Loans	$0	$0	$7,070	$0	$197	$0	$0	$5,845	$10,862	$577	$0	$0	$24,550
Farm Real Estate (Non-CFI)	$0	$0	$1,658	$0	$197	$0	$0	$5,845	$10,862	$577	$0	$0	$19,139
Other Land Loans (Land Development)	$0	$0	$5,412	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,412
8. Other	$0	$911	$0	$0	$0	$0	$0	$633	$0	$425	$4,984	$0	$6,953
Participated loans	$0	$890	$0	$0	$0	$0	$0	$633	$0	$1	$339	$0	$1,863
Other (Specify)	$0	$21	$0	$0	$0	$0	$0	$0	$0	$424	$4,645	$0	$5,090
Multi-family Second Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ineligible CRE Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$18,252	$29,577	$97,137	$84,037	$45,114	$13,567	$7,448	$41,397	$57,152	$12,298	$90,873	$12,584	$509,435

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.6

Total Collateral

As of December 31, 2010

($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$6,071	$17,132	$60,947	$44,436	$15,481	$6,453	$298	$25,068	$44,004	$8,912	$40,352	$15,001	$284,156
Office	$1,821	$4,171	$0	-	-	-	$109	$1,489	-	-	$5,884	-	$13,474
Retail	$1,214	$5,083	$0	-	-	-	$85	$1,437	-	-	$6,579	-	$14,398
Industrial	$1,518	$1,016	$0	-	-	-	$41	$1,251	-	-	$4,841	-	$8,667
Lodging	$911	$657	$0	-	-	-	$7	$15	-	-	$2,170	-	$3,760
Mixed Use	$607	$1,721	$0	-	-	-	$20	$66	-	-	$2,286	-	$4,700
Other - No Detail Available	$0	$4,485	$60,947	$44,436	$15,481	$6,453	$36	$20,811	$44,004	$8,912	$18,592	$15,001	$239,158
2. Commercial 2nd Mortgages	$0	$93	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$93
3. Residential Second Mortgage Loans	$1,513	$158	$8,691	$0	$3,195	$418	$2,231	$2,198	$885	$1,933	$6,160	$2,696	$30,078
4. Home Equity Lines of Credit	$8,124	$0	$27,153	$52,367	$24,849	$1,359	$7,917	$3,890	$0	$0	$14,270	$0	$139,929
5. Construction Loans	$0	$0	$8,420	$0	$0	$0	$0	$180	$2,754	$582	$0	$0	$11,936
Residential Construction (Single Family)	$0	$0	$3,574	$0	$0	$0	$0	$67	$0	$582	$0	$0	$4,223
Multi-Family Construction	$0	$0	$1,983	$0	$0	$0	$0	$73	$0	$0	$0	$0	$2,056
Commercial Construction	$0	$0	$2,863	$0	$0	$0	$0	$40	$2,754	$0	$0	$0	$5,657
6. Securities	$0	$5,940	$0	$0	$1,420	$2,361	$169	$5,177	$6	$780	$22	$174	$16,049
CMBS	$0	$5,940	$0	$0	$1,420	$2,307	$0	$5,173	$0	$713	$22	$174	$15,749
HELOC Securities	$0	$0	$0	$0	$0	$1	$3	$4	$0	$67	$0	$0	$75
Mutual Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Securities (Specifiy) - Municipal Securities	$0	$0	$0	$0	$0	$53	$166	$0	$6	$0	$0	$0	$225
7. Land Loans	$0	$0	$3,432	$0	$184	$0	$0	$5,777	$12,997	$561	$0	$0	$22,951
Farm Real Estate	$0	$0	$1,679	$0	$184	$0	$0	$5,759	$0	$555	$0	$0	$8,177
Other Land Loans (Land Development)	$0	$0	$1,753	$0	$0	$0	$0	$18	$12,997	$6	$0	$0	$14,774
8. Other	$0	$26	$0	$0	$0	$0	$2,499	$603	$2	$44	$1,501	$0	$4,675
Participated loans	$0	$0	$0	$0	$0	$0	$2,435	$603	$0	$0	$30	$0	$3,068
Other (Specify)	$0	$26	$0	$0	$0	$0	$64	$0	$2	$44	$1,471	$0	$1,607
Multi-family Second Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ineligible CRE Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$15,708	$23,349	$108,643	$96,803	$45,129	$10,591	$13,114	$42,892	$60,648	$12,812	$62,305	$17,871	$509,865

* Some totals may not add due to rounding

6. Community Financial Institution Collateral

The FHLBanks are authorized to accept from CFI members and their affiliate's additional types of collateral that would not otherwise be considered eligible collateral as security for advances. These types of CFI collateral include small business loans, small farm loans, small agri-business loans and community development loans fully secured by collateral other than real estate, and securities representing a whole interest in such loans. The FHLBanks report data on the types of CFI collateral that they accept, as well as the associated advances secured solely by CFI collateral.

The FHLBank of Topeka reported the highest level of advances secured by CFI collateral (CFI advances) for the past three year-ends. CFI advances at the FHLBank increased to $973 million at year-end 2012 up from $869 million at year-end 2011, but still below the FHLBank's 2010 outstanding CFI advances of $1.0 billion.

The tables in this section display the mix of CFI collateral types, the level of advances secured by CFI collateral, and the amounts of total CFI collateral pledged by CFI members at year-end 2012. The graphs illustrate CFI collateral and associated advances at year-ends 2010 and 2012.

The Collateral Data Survey also collects the total amounts of CFI collateral pledged by CFI members to their respective FHLBanks. At year-end 2012, the FHLBank of Topeka led the System with $12 billion pledged by CFI members to the FHLBank. The FHLBank of Dallas was second with $10 billion pledged by CFI members. Only the FHLBanks of New York and Atlanta report no CFI collateral pledged for year-end 2012.

Table 6.1

2012 CFI Collateral & Advances Activity

($ Millions)

CFI Collateral Securing Advances													
FHLBank	**BOS**	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	0	0	0	0	68	15	124	0	215	869	0	0	1,291
Small Agri-business Loans	0	0	0	0	0	0	18	41	0	125	0	4	188
Small Business Loans	0	0	0	0	64	0	50	82	76	637	1	1	911
Community Development Loans/Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CFI Collateral	0	0	0	0	132	15	192	123	291	1,631	1	5	2,390

Total CFI Advances	$0	$0	$0	$0	$108	$7	$85	$85	$98	$973	$1	$3	$1,360

CFI Pledged													
FHLBank	**BOS**	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	$0	$0	$0	$0	$223	$128	$874	$0	$5,237	$3,271	$199	$56	$9,988
Small Agri-business Loans	$0	$0	$0	$0	$0	$0	$311	$1,436	$0	$2,489	$126	$114	$4,476
Small Business Loans	$7	$0	$2,629	$0	$90	$22	$1,183	$1,664	$4,727	$6,191	$3,071	$195	$19,779
Community Development Loans/Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Pledged CFI Collateral	$7	$0	$2,629	$0	$313	$150	$2,368	$3,100	$9,964	$11,951	$3,396	$365	$34,243

*Some totals may not add due to rounding

Table 6.2

2011 CFI Collateral & Advances Activity

($ Millions)

CFI Collateral Securing Advances													
FHLBank	**BOS**	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	0	0	0	0	35	20	115	0	200	684	0	7	1,060
Small Agri-business Loans	0	0	0	0	0	0	7	57	0	108	0	0	171
Small Business Loans	10	0	0	0	36	2	114	48	120	704	7	142	1,182
Community Development Loans/Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CFI Collateral	10	0	0	0	70	22	235	105	320	1,496	7	149	2,413

Total CFI Advances	$5	$0	$0	$0	$56	$11	$132	$56	$97	$869	$2	$84	$1,312

CFI Pledged													
FHLBank	**BOS**	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	$0	$0	$0	$0	$203	$116	$436	$0	$4,985	$3,078	$234	$132	$9,184
Small Agri-business Loans	$0	$0	$0	$0	$0	$0	$135	$1,334	$0	$2,558	$154	$140	$4,321
Small Business Loans	$76	$0	$2,795	$0	$73	$29	$547	$1,818	$4,362	$6,848	$3,031	$355	$19,934
Community Development Loans/Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Pledged CFI Collateral	$76	$0	$2,795	$0	$276	$145	$1,118	$3,152	$9,348	$12,484	$3,419	$627	$33,439

*Some totals may not add due to rounding

Table 6.3

2010 CFI Collateral & Advances Activity

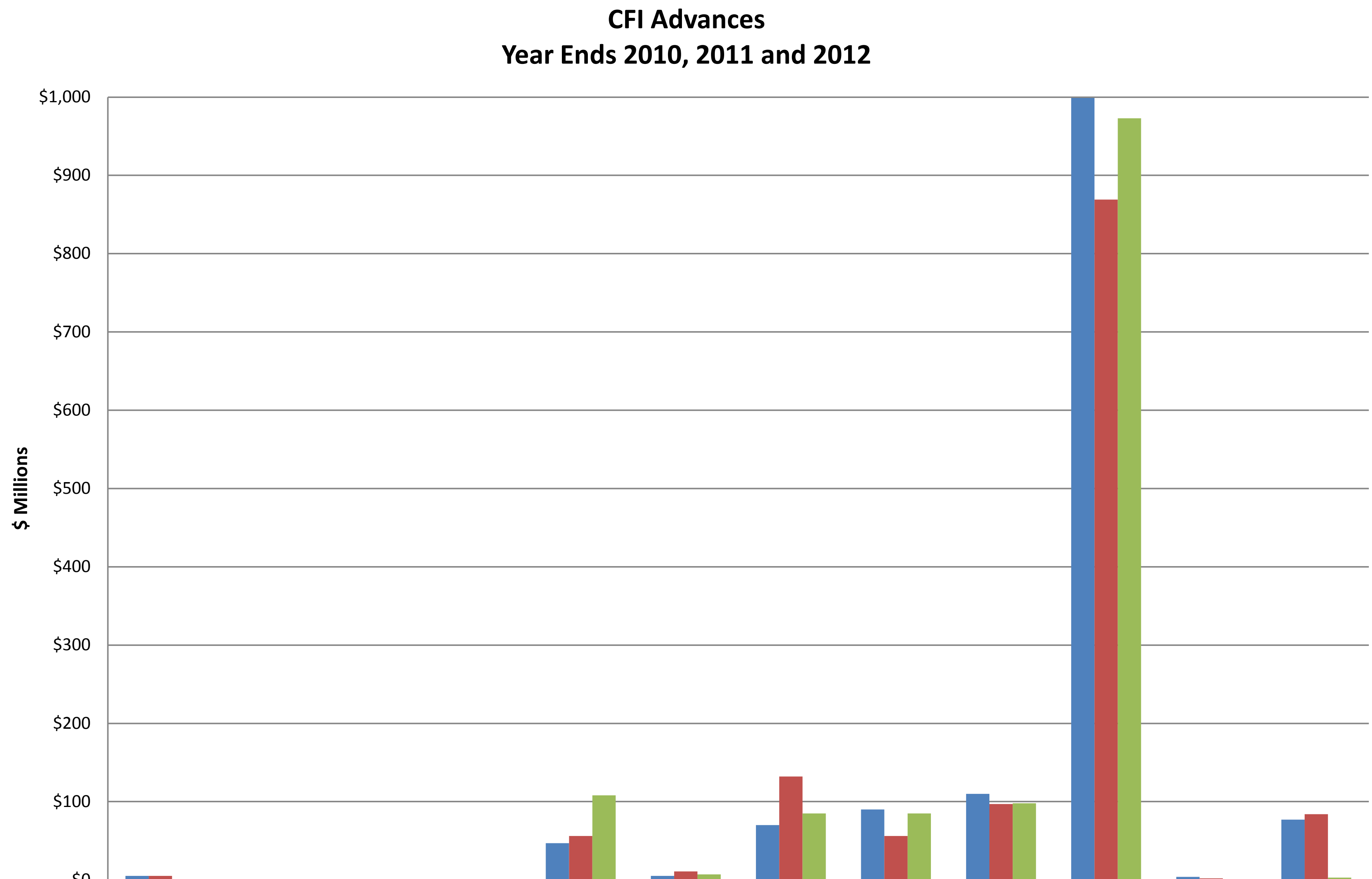
($ Millions)

CFI Collateral Securing Advances													
FHLBank	**BOS**	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	0	0	0	0	73	7	85	0	220	729	0	27	1,141
Small Agri-business Loans	0	0	0	0	0	0	0	93	0	154	0	1	248
Small Business Loans	9	0	0	0	0	4	57	152	188	917	15	92	1,434
Total CFI Collateral	9	0	0	0	73	11	142	245	408	1,800	15	120	2,823

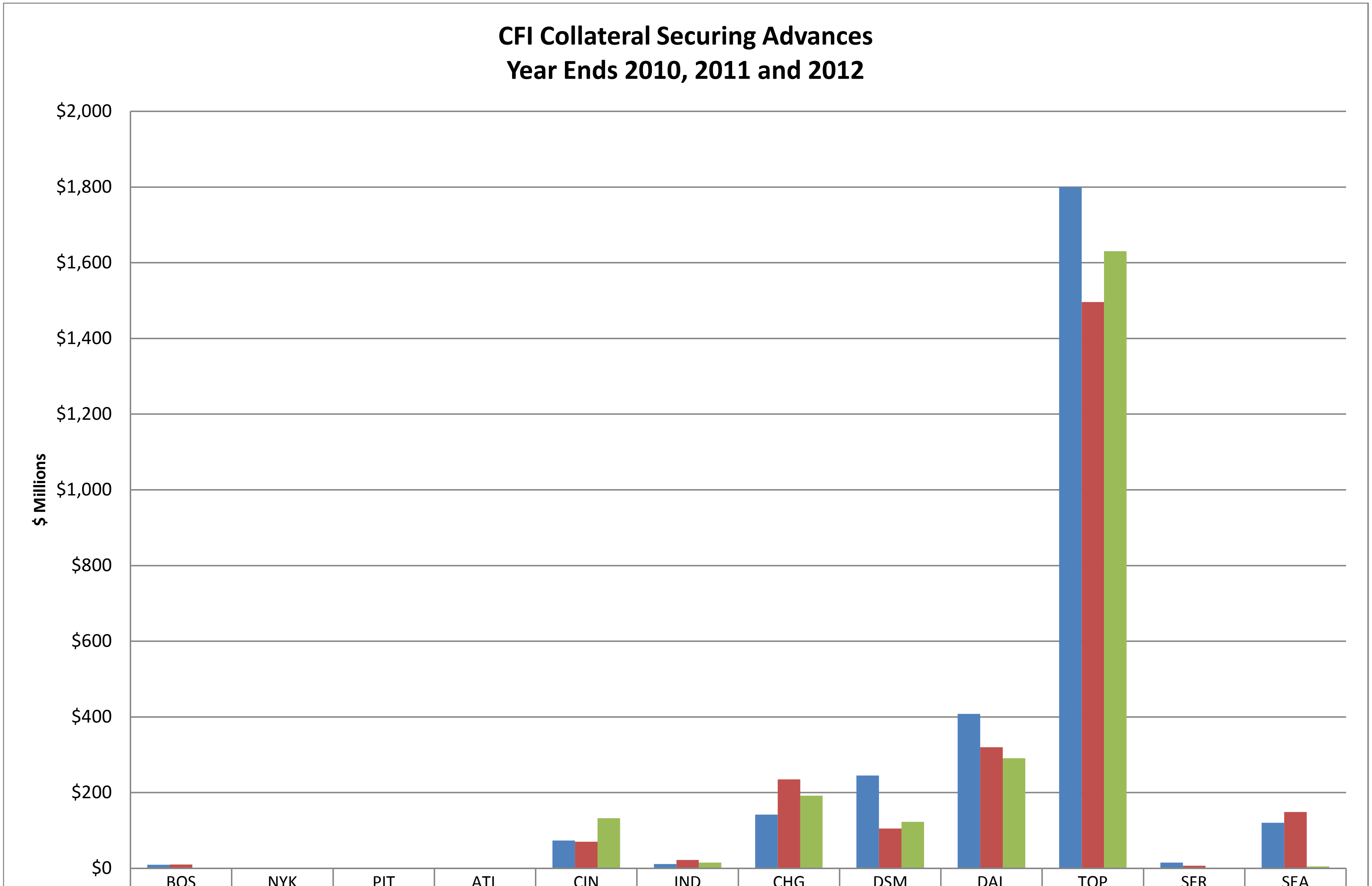
Total CFI Advances	$5	$0	$0	$0	$47	$5	$70	$90	$110	$999	$4	$77	$1,407

CFI Pledged													
FHLBank	**BOS****	**NYK**	**PIT**	**ATL**	**CIN**	**IND**	**CHG**	**DSM**	**DAL**	**TOP**	**SFR**	**SEA**	**SYSTEM**
Small Farm Loans	$0	$0	$0	$0	$255	$126	$252	$0	$5,243	$2,845	$199	$155	$9,075
Small Agri-business Loans	$0	$0	$0	$0	$0	$0	$0	$1,552	$0	$2,673	$118	$146	$4,489
Small Business Loans	$60	$0	$2,912	$0	$0	$38	$274	$2,521	$4,497	$6,760	$2,087	$470	$19,619
Total Pledged CFI Collateral	$60	$0	$2,912	$0	$255	$164	$526	$4,073	$9,740	$12,278	$2,404	$771	$33,183

*Some totals may not add due to rounding
**Corrected from the $600 previously reported.

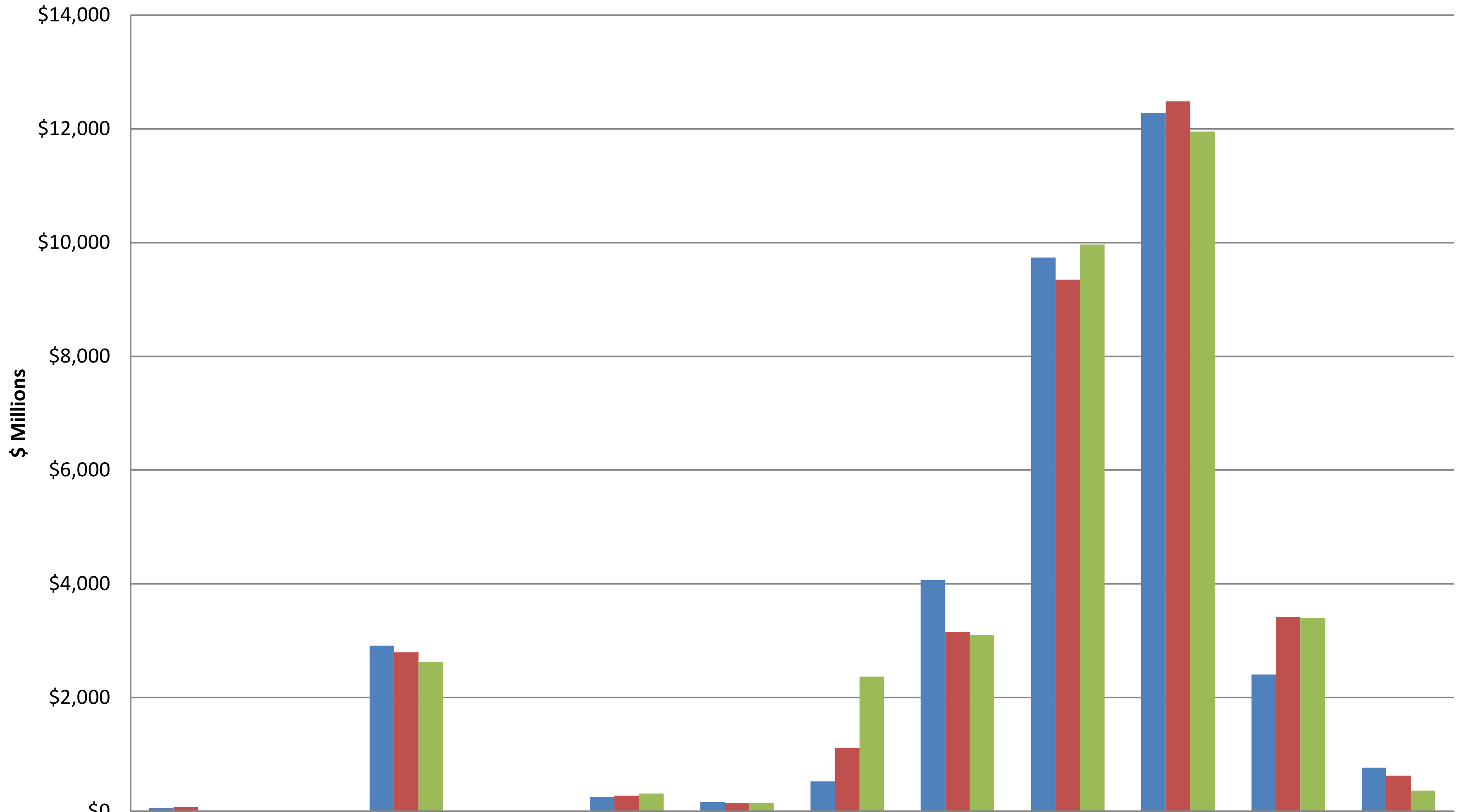


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$5	$0	$0	$0	$47	$5	$70	$90	$110	$999	$4	$77
2011	$5	$0	$0	$0	$56	$11	$132	$56	$97	$869	$2	$84
2012	$0	$0	$0	$0	$108	$7	$85	$85	$98	$973	$1	$3

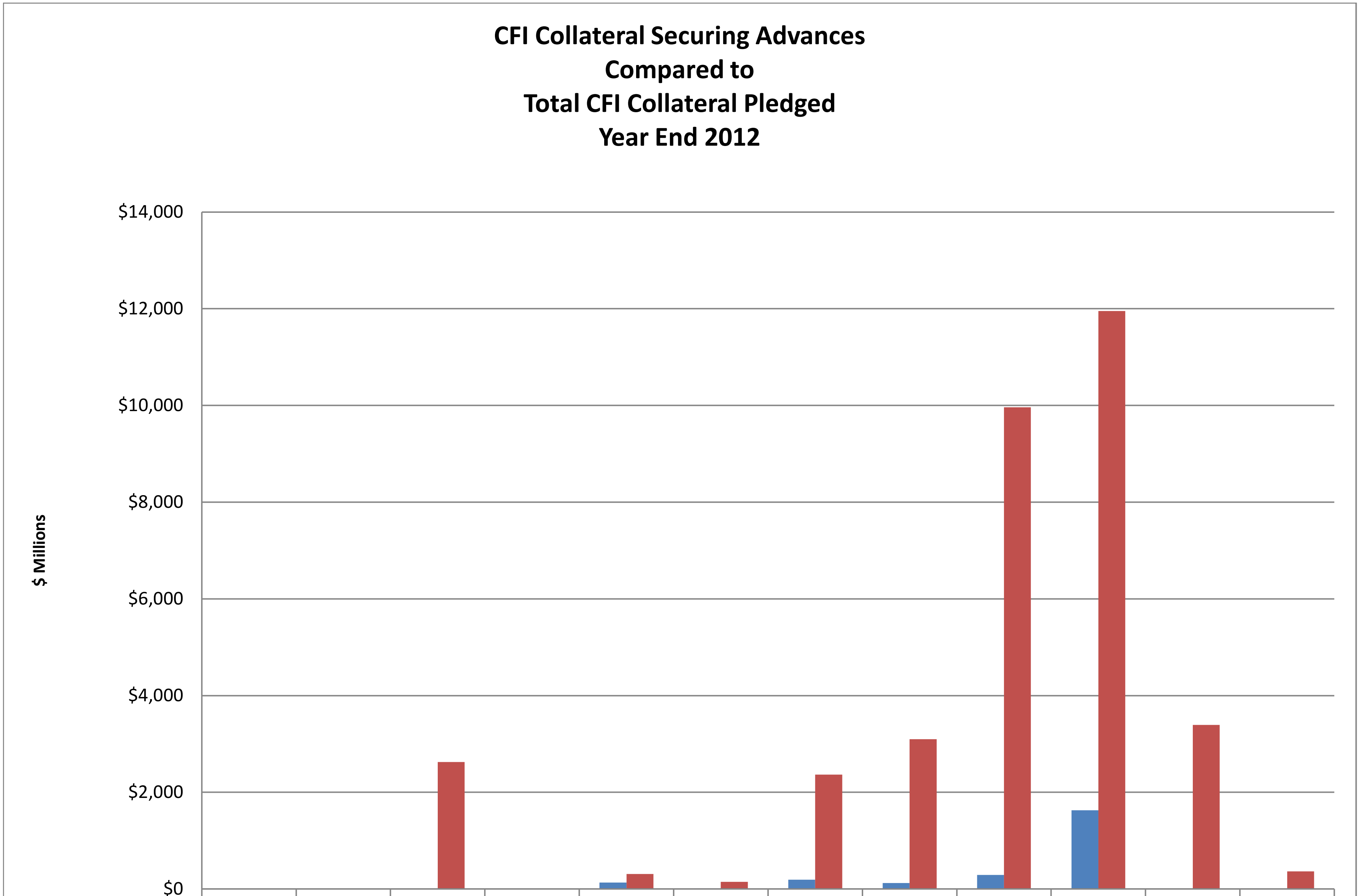


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$9	$0	$0	$0	$73	$11	$142	$245	$408	$1,800	$15	$120
2011	$10	$0	$0	$0	$70	$22	$235	$105	$320	$1,496	$7	$149
2012	$0	$0	$0	$0	$132	$15	$192	$123	$291	$1,631	$1	$5

Total CFI Collateral Pledged
Year Ends 2010, 2011 and 2012



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$60	$0	$2,912	$0	$255	$164	$526	$4,073	$9,740	$12,278	$2,404	$771
2011	$76	$0	$2,795	$0	$276	$145	$1,118	$3,152	$9,348	$12,484	$3,419	$627
2012	$7	$0	$2,629	$0	$313	$150	$2,368	$3,100	$9,964	$11,951	$3,396	$365



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
Adjusted Minimum	$0	$0	$0	$0	$132	$15	$192	$123	$291	$1,631	$1	$5
Total Pledged	$7	$0	$2,629	$0	$313	$150	$2,368	$3,100	$9,964	$11,951	$3,396	$365

7. Insurance Company and Credit Union Collateral

Insurance Companies

Insurance company membership is steadily increasing throughout the System. During 2012, the number of insurance company members rose to 276, an increase of 20 insurance company members from year-end 2011. By comparison, total membership in the System declined by 137 members during 2012. Advances outstanding to insurance company members increased during 2012 from $47 to $52 billion. Insurance company member advances accounted for nearly 13 percent of total advances at year-end 2012, up from 12 percent at year-end 2011. Only the FHLBanks of Seattle and San Francisco reported no advances outstanding to insurance company members.

Reported collateral coverage for advances to insurance companies is lower than the collateral coverage for commercial bank, thrift or credit union members. This is principally a result of the type of collateral pledged and the fact that most FHLBanks require insurance company members to deliver collateral Delivered U.S. Agency mortgage securities receive some of the highest collateral value among eligible collateral types and they represent 45 percent of the collateral securing advances to insurance company members. The FHLBanks generally require the delivery of collateral from insurance companies as they are not federally insured as other members of the System, and thus would go through state law rehabilitation or receivership process if they were to fail, rather than a receivership process administered under federal law by the FDIC or NCUA. Because of the uncertainties of such state law processes, it is not clear that the super lien protection that, by statute, prioritizes FHLBank security interests in advances collateral over the claims of a receiver and creditors with unperfected security interests would apply in the case of a failure of an insurance company member. Accordingly, the FHLBanks have determined that they generally must take possession of collateral pledged by insurance company members to fully protect their lien status. In addition, each insurance company member is under individual state regulation and, as such, some states may limit the amounts of collateral pledged by insurance companies to secure any advances made to them. In combination, this results in lower collateral coverage for insurance company members of the System.

The table below displays the distribution of collateral securing advances to insurance companies at year-ends 2010 and 2012:

Insurance Company Collateral		
Collateral Type	**Percentage of Collateral 2011**	**Percentage of Collateral 2012**
PLS MBS/CMO	1	1
U.S Agency MBS/CMO	45	39
ORERC	32	35
Whole loans	2	3
Securities/deposits	20	21

As described earlier in this report, FHFA instructs the FHLBanks to report the value of member collateral securing advances under listing or delivery at the lesser of market or book value, prior to any discount. If an FHLBank does not use the lesser value in its collateral valuations, the FHLBank may appear to hold insufficient collateral in this reporting. For example, in the graph below showing adjusted minimum collateral coverage for insurance companies, the FHLBanks of Dallas and Topeka appear to be short collateral (97 and 95 percent advance coverage respectively), because members are pledging securities where the market value is above book and the FHLBank's lending value is based upon the market value.

Credit Unions

All FHLBanks report advances outstanding to credit union members. Credit union borrowings increased from $24.3 billion at year-end 2011 to $25.2 billion at year-end 2012, an increase of 4 percent. While credit union membership at the FHLBanks increased by 57 to 1,178 at year-end 2012, most credit union members tend to be of small asset size.

Collateral coverage for advances to credit unions is higher than the collateral coverage for other members. This is principally a result of the type of collateral credit unions pledge. Whole mortgage loan collateral represents 81 percent of the collateral to secure this member group's advances. The FHLBanks generally discount whole mortgage loan collateral more than MBS/CMOs.

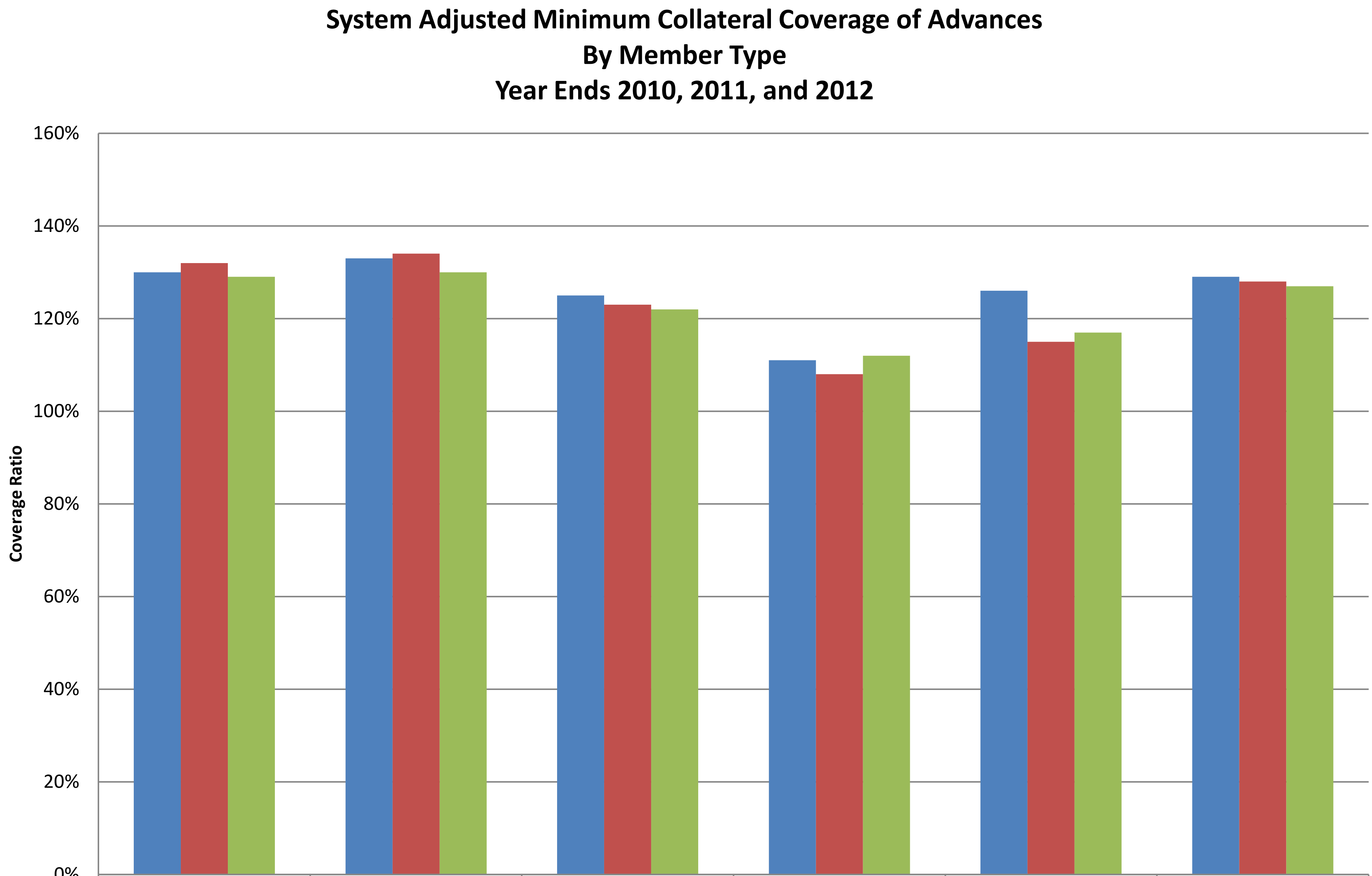
The table below displays the distribution of collateral securing advances to credit unions at year-ends 2011 and 2012:

Credit Union Collateral		
Collateral Type	**Percentage of Collateral 2011**	**Percentage of Collateral 2012**
PLS MBS/CMO	0	0
U.S. Agency MBS/CMOs	17	16
ORERC	2	1
Whole loans	78	81
Securities/Deposits	3	2

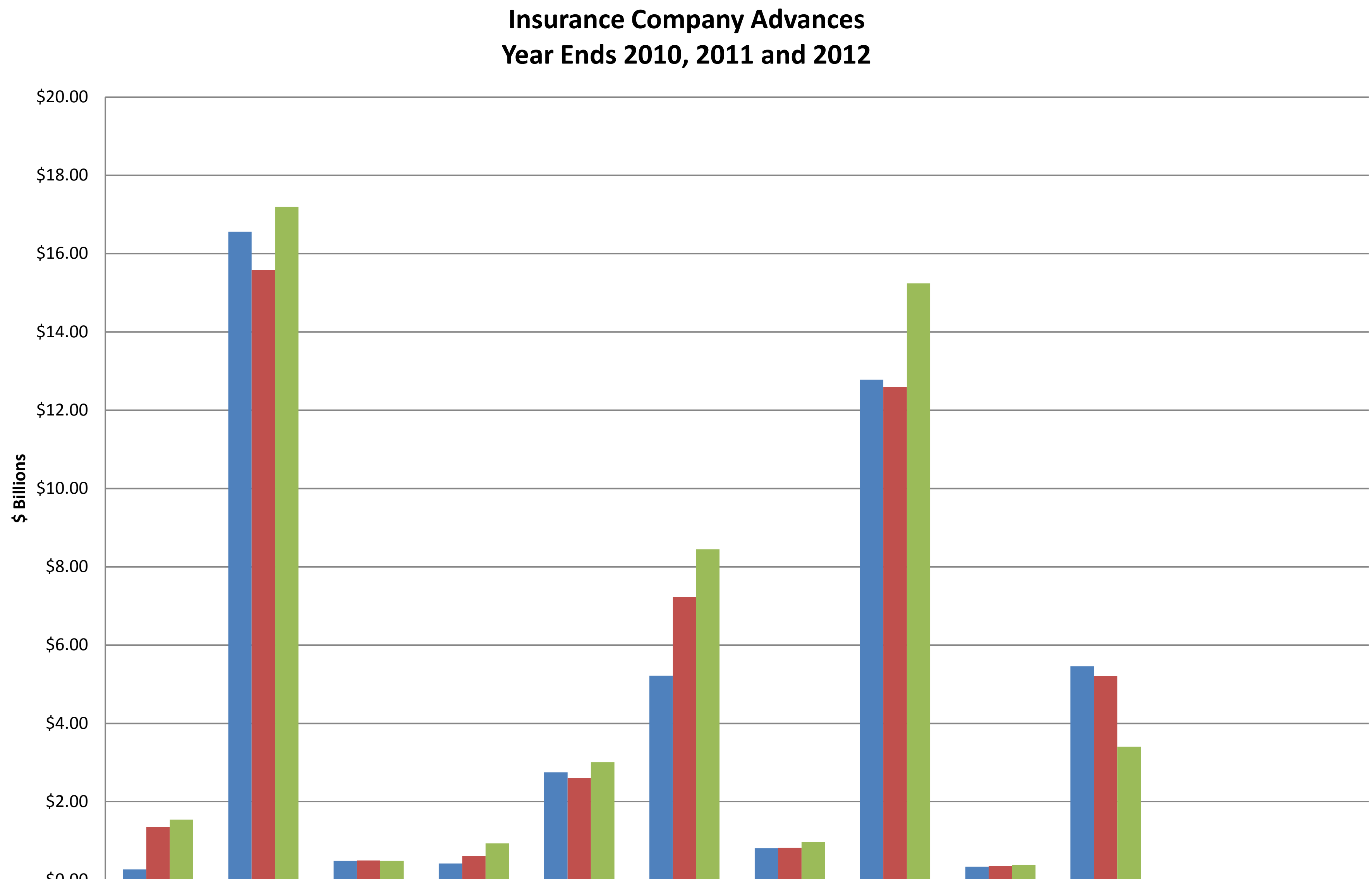
Exhibits

The first graph in this section shows collateral coverage of advances to the various types of FHLBank members. The "Other" category captures outstanding advances made to members that have been acquired by a member of another FHLBank or to a nonmember financial institution (but which remain outstanding to the originating FHLBank); and advances made to CDFIs and housing associates. Advances outstanding to members acquired by out-of-district members or by nonmembers were $17.7 billion; to housing associates, $352 million and to CDFIs, $46.1 million as of year-end 2012.

The remaining graphs in this section provide information on the volume of advances and the collateral coverage for both insurance companies and credit unions.

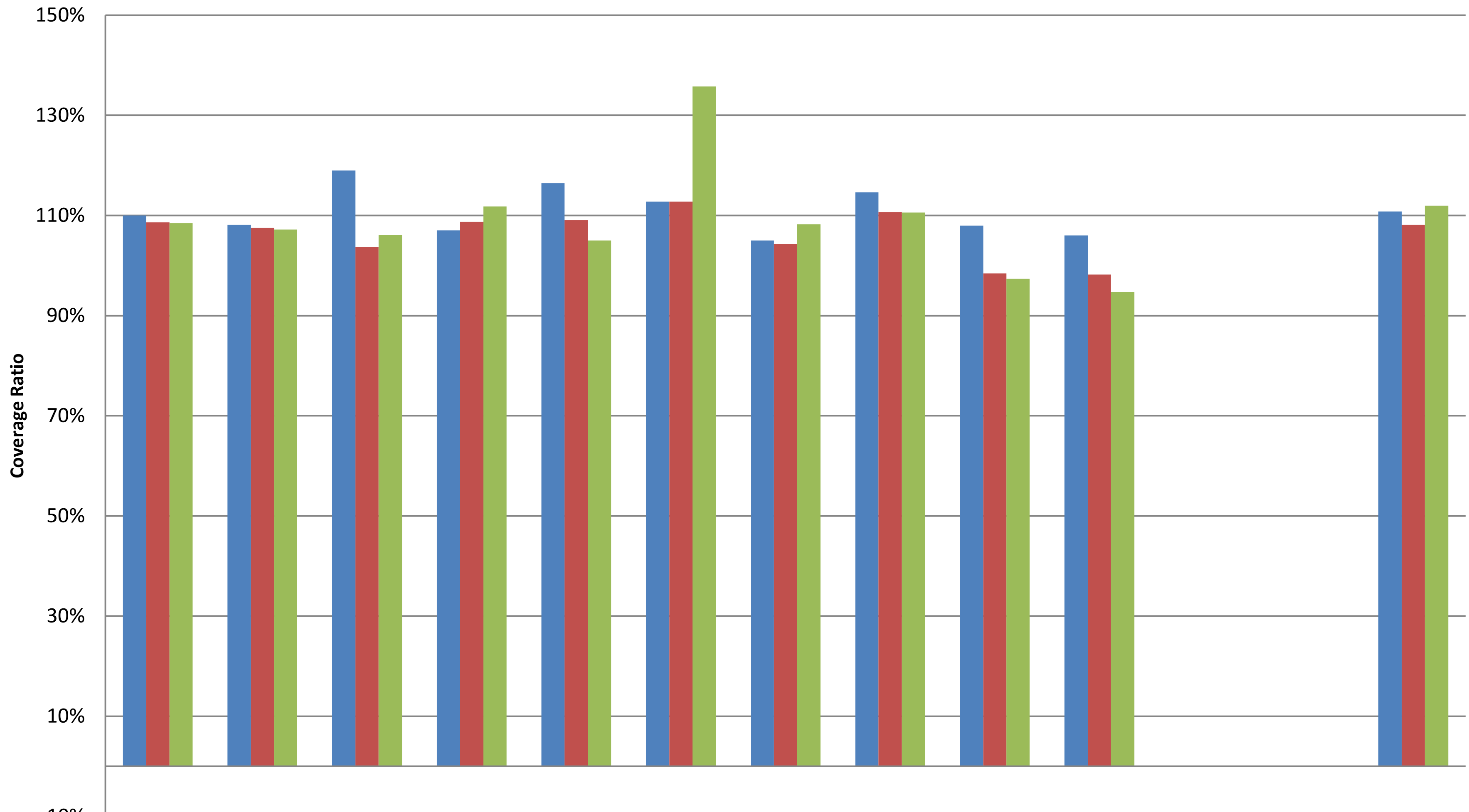


	Thrifts	Commercial Banks	Credit Unions	Insurance Companies	Others	All Members
2010	130%	133%	125%	111%	126%	129%
2011	132%	134%	123%	108%	115%	128%
2012	129%	130%	122%	112%	117%	127%



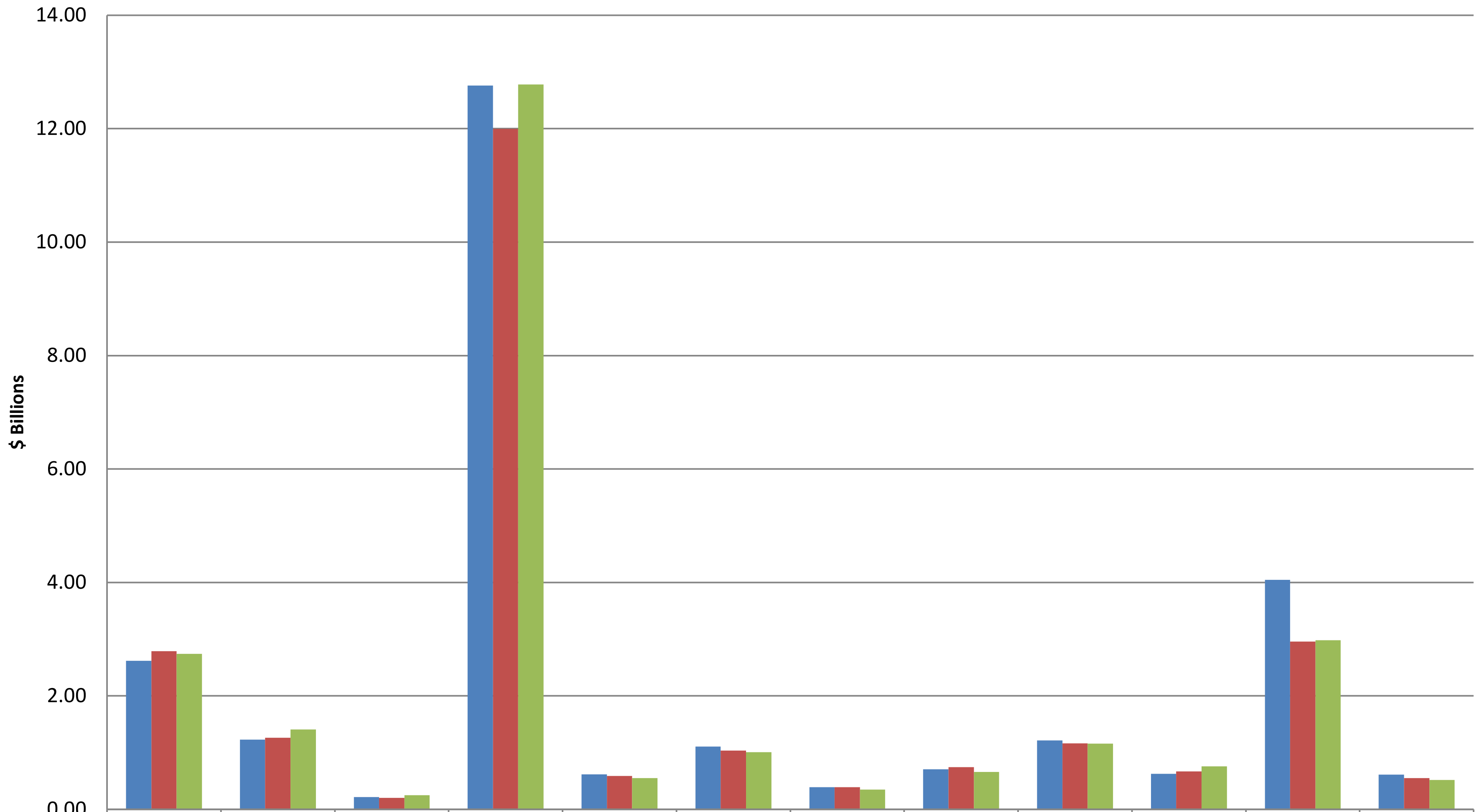
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	$0.27	$16.56	$0.49	$0.42	$2.75	$5.22	$0.81	$12.78	$0.34	$5.46	$0.00	$0.00
2011	$1.35	$15.58	$0.49	$0.61	$2.61	$7.23	$0.82	$12.59	$0.35	$5.21	$0.00	$0.00
2012	$1.54	$17.20	$0.49	$0.93	$3.01	$8.45	$0.97	$15.24	$0.38	$3.40	$0.00	$0.00

Adjusted Minimum Collateral Coverage
Insurance Companies
Year Ends 2010, 2011 and 2012

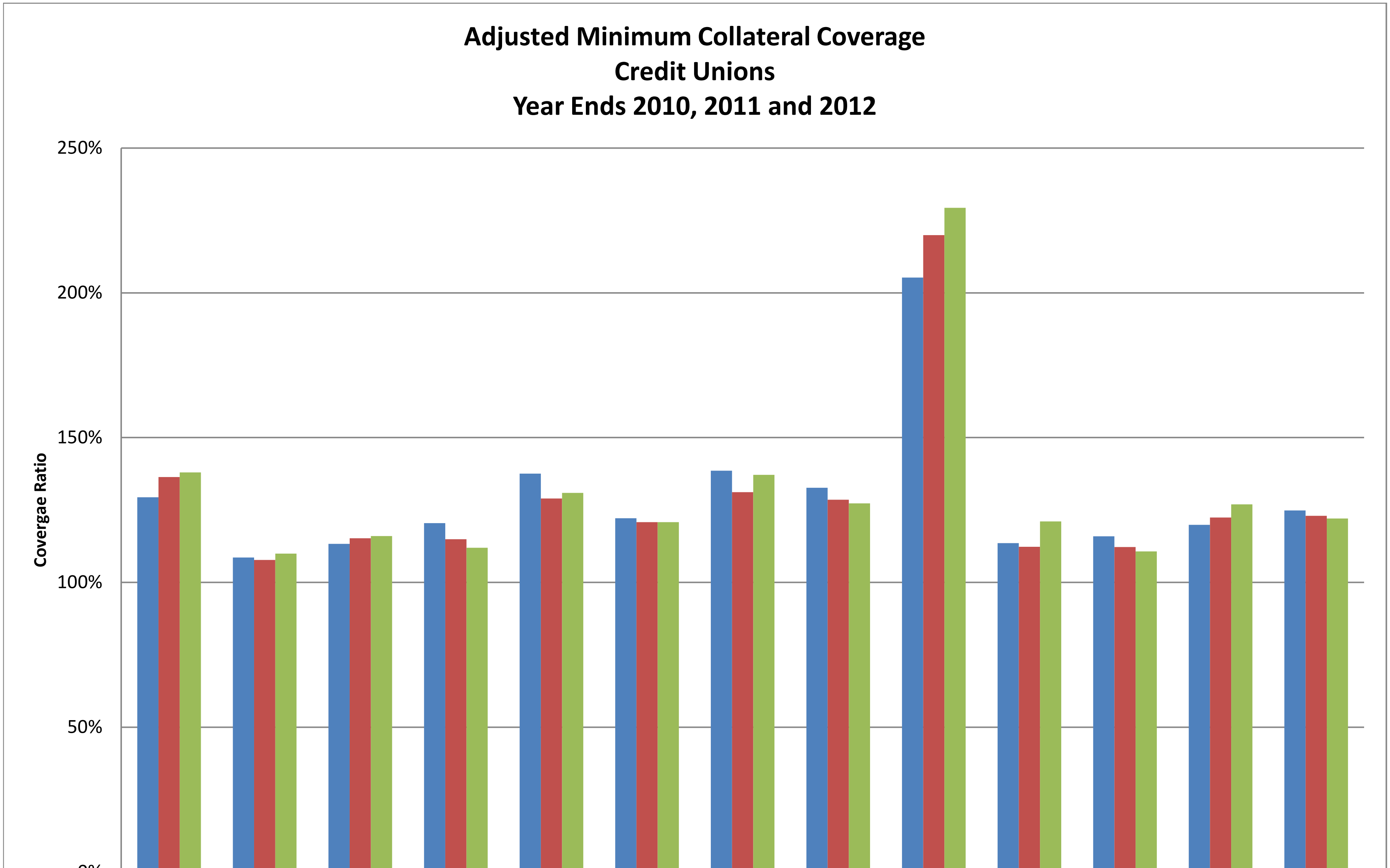


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
2010	110%	108%	119%	107%	116%	113%	105%	115%	108%	106%	0%	0%	111%
2011	109%	108%	104%	109%	109%	113%	104%	111%	98%	98%	0%	0%	108%
2012	108%	107%	106%	112%	105%	136%	108%	111%	97%	95%	0%	0%	112%

Credit Union Advances
Year Ends
2010, 2011 and 2012



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2010	2.62	1.23	0.21	12.76	0.62	1.11	0.39	0.71	1.21	0.62	4.05	0.61
2011	2.79	1.26	0.20	12.00	0.59	1.04	0.39	0.75	1.16	0.67	2.96	0.55
2012	2.74	1.41	0.25	12.78	0.55	1.01	0.35	0.66	1.16	0.76	2.98	0.52



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
2010	129%	109%	113%	120%	138%	122%	139%	133%	205%	114%	116%	120%	125%
2011	136%	108%	115%	115%	129%	121%	131%	129%	220%	112%	112%	122%	123%
2012	138%	110%	116%	112%	131%	121%	137%	127%	229%	121%	111%	127%	122%

8. Subprime and Nontraditional Mortgage Collateral

Each FHLBank reports for the Collateral Data Survey the amounts of subprime and nontraditional mortgage loans and securities that it relies on to secure advances. The FHLBanks are requested to provide the amounts of subprime and nontraditional first lien residential mortgage loans, second mortgages, home equity lines of credit, and residential construction loans. The FHLBanks also report the amounts of subprime and Alt-A PLS which FHLBank members have pledged.

Subprime and non-traditional mortgages that were originated or acquired by a member after July 10, 2007 may be included in eligible collateral pledged to an FHLBank only if those mortgages comply with all aspects of the 2006 and 2007 Interagency Guidance on nontraditional and subprime mortgage loans issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration (the interagency guidance). Similarly, private-label MBS that were issued after July 10, 2007 may be included only if the underlying mortgages comply with all aspects of the interagency guidance.

The FHLBanks' policies and business practices require members to certify that subprime and non-traditional mortgages comply with the interagency guidance. To include private-label MBS issued after July 10, 2007, the FHLBanks' policies and business practices generally require members to obtain an enforceable representation and warranty from the issuer that the residential mortgages included in the loan pools securitized by those private-label MBS comply with the interagency guidance.

Some portion of collateral described as nontraditional, subprime or Alt-A was originated or purchased prior to July 10, 2007, and therefore, under the guidance in FHFA's advisory bulletins, is not required to conform to the interagency guidance. The collateral survey does not contain information sufficient to allow FHFA to determine how much of the collateral would be subject to the interagency guidance. However, the guidance does require the FHLBanks to have policies in place to ensure that subprime and nontraditional loans that were originated or acquired by the FHLBank member subsequent to the issuance of the interagency guidance and certain effective dates in the FHFA advisory bulletins generally may not be pledged as collateral for advances if they do not conform to the guidance.

The varying levels of subprime and nontraditional mortgage loan collateral reported by each FHLBank are a function of the ways in which the FHLBanks measure and categorize such exposures, in addition to actual differences in collateral pledged by members in each FHLBank district. The FHLBanks report either actual or estimated amounts, depending on data availability. For example, the amounts of subprime and nontraditional mortgage loans are most often extrapolated from collateral verification reviews and estimated information collected from those members on blanket lien status and added to the actual reported amounts by members on listing or delivery collateral status.

The FHLBanks used their own categorizations of subprime and nontraditional mortgage loans when responding to the Collateral Data Survey. The Collateral Data Survey did not establish specific definitions of these terms to allow for flexibility in reporting based on imperfect information about collateral, particularly information available about collateral accepted through a blanket lien. This approach is consistent with the three Advisory Bulletins FHFA has issued since 2007 regarding subprime and nontraditional mortgage loan and PLS collateral. Generally speaking, however, nontraditional mortgage loans include those that allow negative amortization or the deferment of payments of principal or interest. Subprime loans generally are those offered to a borrower having a credit score below a threshold level. The threshold under which a borrower is considered subprime has varied with market conditions, loan originators, and loan investors.

For PLS serving as collateral for advances, the Collateral Data Survey requested the FHLBanks to report those securities according to how they were categorized by the issuer, rating agency, or other market participant. FHLBanks can obtain information on PLS by reviewing the securities' prospectuses, market-based sources of information, or even the names of the securities themselves. There is no standard definition of an Alt-A security. Alt-A PLS are typically those backed by mortgage loans to borrowers with prime credit scores but with features that included, for example, low or no borrower income or asset verification. Subprime PLS are generally backed by mortgage loans to subprime borrowers. Rating agencies have often identified securities backed by home equity loans as subprime.

Table 8.1 presents the percentages of mortgage loan collateral that is subprime, nontraditional, or both, as a percent of whole loan collateral, and subprime and Alt-A PLS collateral as a percent of total PLS collateral. Table 8.2 presents subprime and nontraditional mortgage loans and subprime and Alt-A PLS collateral to total adjusted minimum collateral securing advances. Tables 8.3 and 8.4 present the volume of mortgage loan collateral that is subprime, nontraditional, or both, and subprime and Alt-A PLS collateral for year-ends 2010, 2011 and 2012.

Table 8.1

Adjusted Minimum Collateral

Subprime, Nontraditional and Alt-A Collateral to Collateral Class

Year End 2012

FHLBank	Percent of Mortgage Loan Collateral that is Subprime (SP)	Percent of Mortgage Loan Collateral that is Nontraditional (NTM)	Percent of Mortgage Loan Collateral that is both SP and NTM	Percent of PLS Collateral that is SP	Percent of PLS Collateral that is Alt-A	FHLBank Reporting Standard: Actual (A) or Estimate (E)
BOS	1.5%	1.2%	0.0%	0.0%	0.0%	A
NYK	19.6%	46.7%	7.3%	0.0%	0.0%	A
PIT	22.7%	19.1%	0.0%	0.0%	0.0%	E
ATL	1.6%	1.6%	0.3%	0.1%	12.9%	A
CIN	1.6%	0.1%	0.0%	0.0%	0.0%	E
IND	0.4%	0.0%	0.0%	0.0%	1.6%	A & E
CHG	0.2%	0.4%	0.0%	0.0%	0.0%	A
DSM	2.7%	0.3%	0.0%	0.0%	0.2%	E
DAL	6.5%	2.5%	0.2%	91.7%	2.4%	A & E
TOP	0.0%	0.2%	0.0%	0.0%	0.0%	A
SFR	0.0%	0.0%	0.0%	0.0%	2.2%	A
SEA	5.7%	6.8%	0.3%	0.0%	0.0%	A & E
SYS	7.8%	11.2%	1.3%	2.8%	0.4%	A & E

Table 8.2

Adjusted Minimum Collateral

Subprime, Nontraditional and Alt-A Collateral to Collateral Class

Year End 2011

FHLBank	Percent of Mortgage Loan Collateral that is Subprime (SP)	Percent of Mortgage Loan Collateral that is Nontraditional (NTM)	Percent of Mortgage Loan Collateral that is both SP and NTM	Percent of PLS Collateral that is SP	Percent of PLS Collateral that is Alt-A	FHLBank Reporting Standard: Actual (A) or Estimate (E)
BOS	1.1%	1.1%	0.0%	0.0%	0.0%	A
NYK	6.8%	17.5%	0.2%	0.8%	0.0%	A
PIT	7.3%	17.2%	0.0%	0.0%	0.0%	E
ATL	3.5%	3.3%	0.5%	0.1%	12.0%	A
CIN	2.2%	0.5%	0.0%	0.0%	2.7%	E
IND	1.7%	3.3%	0.0%	0.0%	0.0%	A & E
CHG	0.3%	5.7%	0.0%	0.0%	0.0%	A
DSM	2.1%	0.1%	0.0%	0.2%	0.5%	E
DAL	5.1%	3.4%	0.3%	0.0%	0.2%	A & E
TOP	0.0%	0.6%	0.0%	0.0%	0.3%	A
SFR	0.0%	3.4%	0.0%	0.0%	13.0%	A
SEA	3.0%	4.0%	0.4%	0.0%	0.0%	A & E
SYS	3.7%	6.9%	0.2%	0.3%	1.4%	A & E

Table 8.3

Adjusted Minimum Collateral

Subprime, Nontraditional and Alt-A Collateral

Year End 2012

(Millions)

FHLBank	Mortgage Loan Collateral that is Subprime (SP)	Mortgage Loan Collateral that is Nontraditional (NTM)	Mortgage Loan Collateral that is both SP and NTM	PLS Collateral that is SP	PLS Collateral that is Alt-A	Total of all SP, NTM and Alt-A Collateral
BOS	$305	$248	$0	$0	$0	$553
NYK	$11,400	$27,124	$4,234	$0	$0	$42,757
PIT	$11,299	$9,496	$0	$0	$0	$20,795
ATL	$1,282	$1,357	$217	$1	$6	$2,863
CIN	$716	$62	$5	$0	$1	$784
IND	$39	$0	$0	$0	$52	$91
CHG	$32	$71	$1	$0	$0	$104
DSM	$326	$40	$0	$0	$8	$374
DAL	$1,621	$624	$56	$557	$15	$2,873
TOP	$0	$30	$0	$0	$0	$30
SFR	$0	$1	$0	$0	$0	$1
SEA	$536	$636	$28	$0	$0	$1,200
SYS	$27,556	$39,688	$4,541	$558	$81	$72,424

Table 8.4

Adjusted Minimum Collateral

Subprime, Nontraditional and Alt-A Collateral

Year End 2011

(Millions)

FHLBank	Mortgage Loan Collateral that is Subprime (SP)	Mortgage Loan Collateral that is Nontraditional (NTM)	Mortgage Loan Collateral that is both SP and NTM	PLS Collateral that is SP	PLS Collateral that is Alt-A	Total of all SP, NTM and Alt-A Collateral
BOS	$271	$281	$0	$0	$0	$552
NYK	$3,205	$8,205	$88	$32	$1	$11,531
PIT	$2,902	$6,834	$0	$0	$0	$9,736
ATL	$3,093	$2,905	$426	$1	$159	$6,584
CIN	$652	$160	$7	$0	$33	$852
IND	$236	$452	$0	$0	$	$688
CHG	$64	$1,045	$0	$0	$0	$1,109
DSM	$414	$17	$0	$12	$24	$467
DAL	$1,721	$1,122	$95	$0	$1	$2,939
TOP	$0	$61	$0	$0	$2	$63
SFR	$1	$2,345	$0	$0	$6	$2,352
SEA	$355	$476	$53	$0	$0	$884
SYS	$12,914	$23,903	$669	$45	$226	$37,757

Table 8.5

Adjusted Minimum Collateral

Subprime, Nontraditional and Alt-A Collateral

Year End 2010

(Millions)

FHLBank	Mortgage Loan Collateral that is Subprime (SP)	Mortgage Loan Collateral that is Nontraditional (NTM)	Mortgage Loan Collateral that is both SP and NTM	PLS Collateral that is SP	PLS Collateral that is Alt-A	Total of all SP, NTM and Alt-A Collateral
BOS	$185	$720	$0	$0	$0	$905
NYK	$3,089	$9,889	$423	$39	$85	$13,525
PIT	$0	$0	$0	$0	$0	$0
ATL	$5,231	$19,930	$1,258	$1	$349	$26,769
CIN	$733	$197	$18	$0	$104	$1,052
IND	$1,077	$309	$2	$0	$143	$1,531
CHG	$13	$579	$13	$0	$90	$695
DSM	$208	$12	$0	$84	$39	$343
DAL	$13	$321	$953	$688	$825	$2,800
TOP	$0	$140	$0	$0	$69	$209
SFR	$5	$2,368	$0	$0	$29	$2,402
SEA	$363	$1,120	$47	$0	$0	$1,530
SYS	$10,917	$35,585	$2,714	$812	$1,733	$51,761

9. Glossary

Adjusted Minimum Collateral – The specific types and amounts of collateral an FHLBank determines would be necessary to liquidate a member's outstanding advances. The FHLBank reviews the total amounts of collateral pledged by each member or housing associate with outstanding advances and decides, among the various eligible assets pledged, the specific amounts and types of collateral that secure the outstanding advances. The FHLBank then reports the value of the collateral that the FHLBank would anticipate liquidating should it be needed to address a member's default on its outstanding advances. The reported amounts are adjusted based on member financial condition and from the results of individual member collateral verification reviews.

Advance - A secured extension of credit or loan from an FHLBank to a member or housing associate.

Alt-A PLS - Alt-A private-label mortgage-backed securities are typically those backed by mortgage loans to borrowers with prime credit scores but with features that included, for example, low or no borrower income or asset verification. However, there is no standard definition of an Alt-A PLS.

Blanket - A form of collateral control under which the member grants an FHLBank a security interest in all or most of its assets, or one or more broad categories of assets, to secure advances.

Delivery - A form of collateral control under which the member delivers pledged assets to an FHLBank or an approved safekeeping facility to secure advances. Intangible collateral, such as securities that exist only in electronic form, is "delivered" electronically, by crediting the account of the FHLBank or its custodian.

Collateral Coverage Ratio - The ratio of collateral value to advance amount. Collateral value may be defined as the book value, adjusted book value, or market value.

Community Development Financial Institution (CDFI) is a financial institution that provides credit and financial services to underserved markets and populations. As used in this report, a CDFI is an institution that is certified as by the Community Development Financial Institutions Fund (CDFI Fund) at the U.S. Department of the Treasury, other than a federally insured depository institution or a holding company for such a depository institution. A CDFI may be a community development credit union without federal share insurance, a community development loan fund, a community development venture capital fund, a microenterprise development loan fund, or a community development corporation.

Community Financial Institution - For purposes of this report, the term community financial institution (CFI) means a member, the deposits of which are insured under the

Federal Deposit Insurance Act, that has average total assets of $1.076 billion or less, based on an average of total assets over the last 3 years. For calendar year 2013, the CFI asset threshold is $1.095 billion or less.[1] FHLBank members that are CFIs may pledge small business loans, small farm loans, small agri-business loans, and, for 2012 and thereafter, community development loans, all of which may be fully secured by collateral other than real estate, and securities representing a whole interest in such loans.

Excess Collateral - The difference between the minimum adjusted collateral to secure advances and a member's total pledged collateral. Some collateral deemed "excess" by this definition may be required to support letters of credit or other non-advance FHLBank products.

Housing Associate - A housing associate is a non-member entity to which an FHLBank may make advances if it meets specific requirements in Federal Housing Finance Agency regulations. Housing associates are often state housing finance agencies.

Listing - A form of collateral control under which the member agrees to provide the Federal Home Loan Bank with specific details of the mortgage loans or other eligible collateral pledged, but held by the member, to secure advances.

Member - A financial institution that has been approved for membership and has purchased stock in an FHLBank.

Non-Advance Products – FHLBank-originated financial instruments, such as standby letters of credit and interest rate swaps, offered to members. Members may also be required to pledge collateral to additionally secure mortgage loans sold to an FHLBank under the FHLBank System's Acquired Mortgage Assets purchase program

Nontraditional Mortgage Loans - Nontraditional mortgage loans include those that allow negative amortization or the deferment of payments of principal or interest.

Subprime Mortgage Loan - Subprime loans generally are those to a borrower having a credit score below a threshold level. Currently, there is no consistent or standard threshold score that defines a subprime loan.

Subprime PLS - Subprime private-label mortgage-backed securities generally are backed by residential first or second mortgage loans to subprime borrowers. Rating agencies often have identified securities backed by home equity loans as subprime.

Super Lien - Statutory lien that is senior or superior to nearly all current or future liens on the same asset or property. The super lien was originally established by the Competitive Equality Banking Act of 1987 (Pub. Law 100-86). This Act amended Section 10 of the Federal Home Loan Bank Act to improve the standing of the Federal Home Loan Banks as a secured creditor by giving them priority in receivership over

78 Fed. Reg. 19262 (March 29, 2013).

unsecured creditors such as the Federal Deposit Insurance Corporation acting as receiver or conservator.

The law reads: "*Notwithstanding any other provision of law, any security interest granted to a Federal Home Loan Bank by any member of any Federal Home Loan Bank or any affiliate of any such member shall be entitled to priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar party having rights of a lien creditor) other than claims and rights that: (1) would be entitled to priority under otherwise applicable law; and (2) are held by actual bona fide purchasers for value or by actual secured parties that are secured by actual perfected security interests.*" 12 U.S.C. §1430(e).

Total collateral – Total collateral pledged equals the amount of adjusted minimum collateral, plus the amount of collateral pledged in excess of the adjusted minimum by borrowing members, plus collateral pledged by borrowers and non-borrowers to support non-advance products.