FEDERAL HOUSING FINANCE AGENCY

Office of the Director

November 5, 2014

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington D.C. 20510

The Honorable Michael D. Crapo
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington D.C. 20510

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
United States House of Representatives
Washington D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington D.C. 20515

Dear Chairmen and Ranking Members:

Enclosed please find the Federal Housing Finance Agency's (FHFA) annual report on Collateral Pledged to the Federal Home Loan Banks (FHLBanks), as required by Section 1212 of the Housing and Economic Recovery Act of 2008 (HERA).

Section 1212 of HERA requires that FHFA provide an annual report on the collateral pledged to the FHLBanks, including an analysis by type and by FHLBank district. The report is based on FHFA's annual collateral data survey, which collected information as of December 31, 2013. If you have further questions, please do not hesitate to contact me or my staff. Thank you for your interest in the FHFA.

Sincerely,

Melvin L. Watt

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

2014

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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 additional excess collateral pledged by borrowers and non-borrowers to support both advances and non-advance products. As of December 31, 2013, FHLBank advances totaled approximately $493 billion. As of that date, the adjusted minimum level of collateral securing advances was $616 billion and the total collateral pledged to the FHLBanks was $1.76 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.

[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.

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 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. One type of 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 generally require delivery of securities regardless of the

[2] 12 U.S.C. § 1430(a).

member's financial condition. 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 applying any discount the FHLBank may use to calculate the lendable value of the collateral.

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-

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 2014 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.

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).

[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

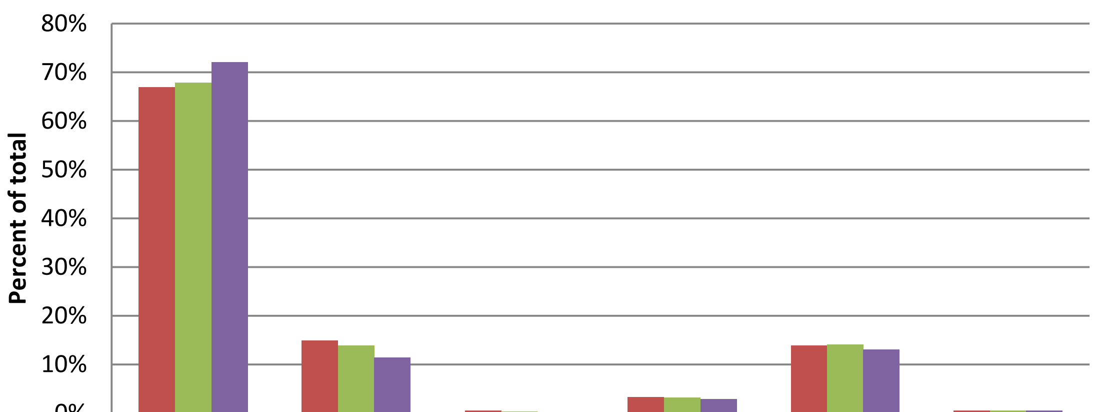
Overview

Total advances at the FHLBanks were $493 billion at year-end 2013, an increase of 19 percent from $414 billion one year earlier. Over the same period, adjusted minimum collateral securing advances increased by 18 percent to $616 billion, from $523 billion at year-end 2012.

Collateral Composition

The table below shows the composition of collateral held by the FHLBanks. As of year-end 2013, whole loans continue as the most common type of collateral pledged, representing 72 percent of adjusted minimum collateral, followed by ORERC at 13 percent and Agency MBS/CMO at 11.4 percent. (Graph 3.1 in Section 3 of this report compares the composition of collateral for the System and each of the FHLBanks from 2009 through 2013.)

FHLBank Combined Adjusted Minimum Collateral
By Collateral Type
Year-ends 2011, 2012 and 2013

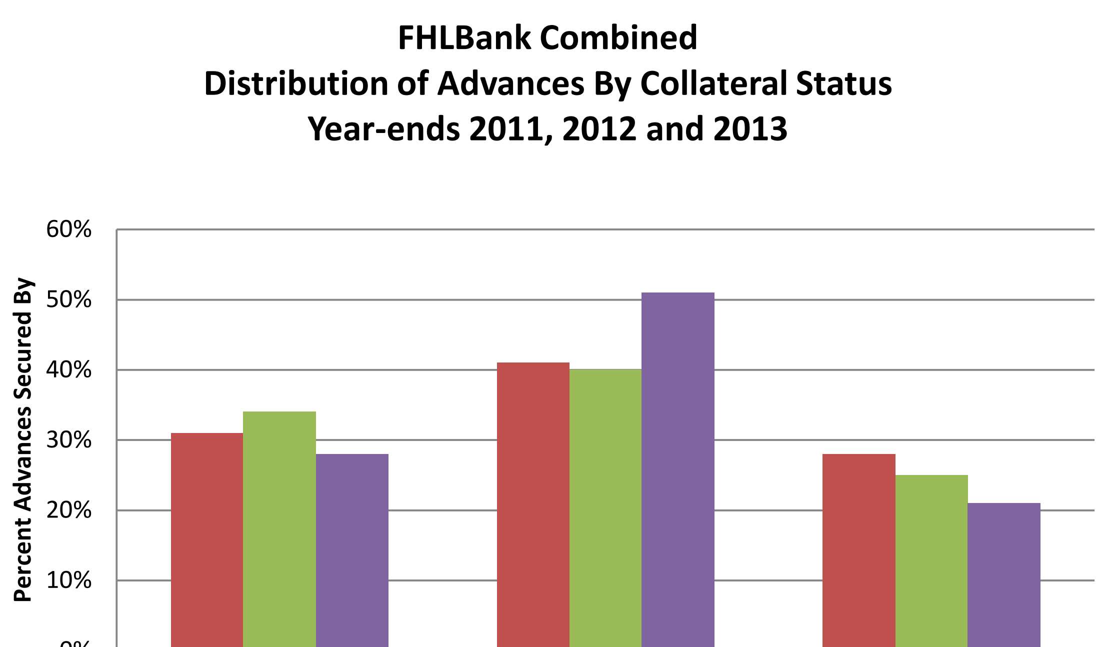


	Whole Loans	Agency MBS/CMO	PLS	Securities	ORERC	CFI
2011	66.9%	14.9%	0.5%	3.3%	13.9%	0.5%
2012	67.9%	13.9%	0.3%	3.2%	14.1%	0.5%
2013	72.1%	11.4%	0.1%	2.9%	13.0%	0.5%

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 for valuation and delivery to a FHLBank generally provides a more secure lien. FHLBanks often require listing or delivery for less creditworthy members.

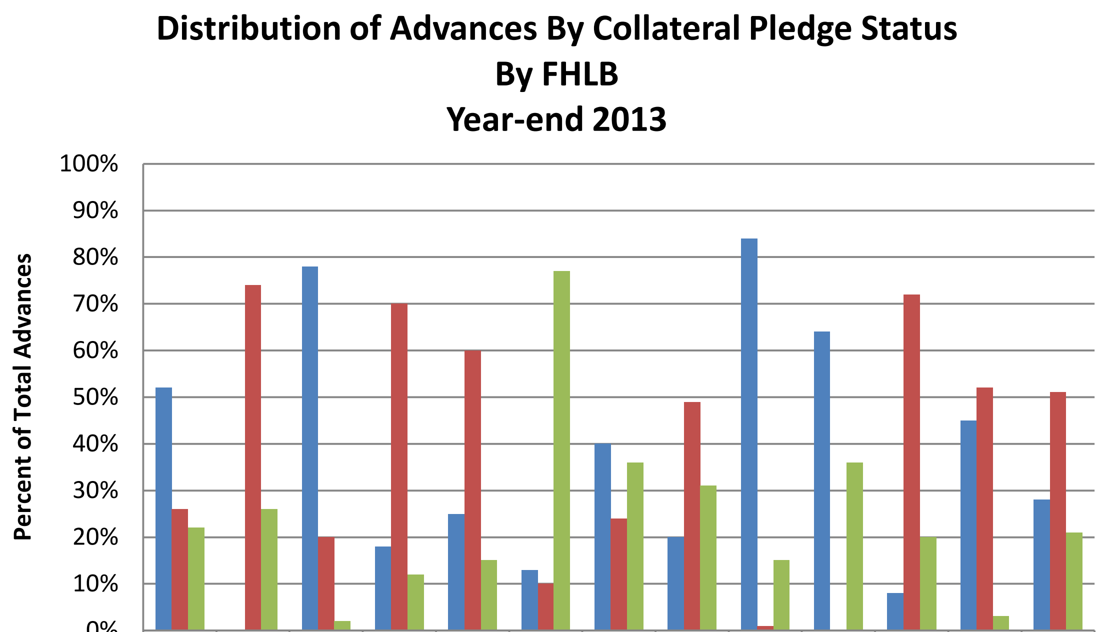
The System-wide distribution of advances by collateral status (i.e., blanket, listing, or delivery status) is presented below. At year-end 2013, listing was the most common form of collateral status (51 percent of collateral pledged), followed by blanket liens (28 percent of collateral).



	Blanket	Listing	Delivery
2011	31%	41%	28%
2012	34%	40%	25%
2013	28%	51%	21%

*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 84 percent of its advances were secured by blanket lien at year-end 2013, 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	52%	0%	78%	18%	25%	13%	40%	20%	84%	64%	8%	45%	28%
Listing	26%	74%	20%	70%	60%	10%	24%	49%	1%	0%	72%	52%	51%
Delivery	22%	26%	2%	12%	15%	77%	36%	31%	15%	36%	20%	3%	21%

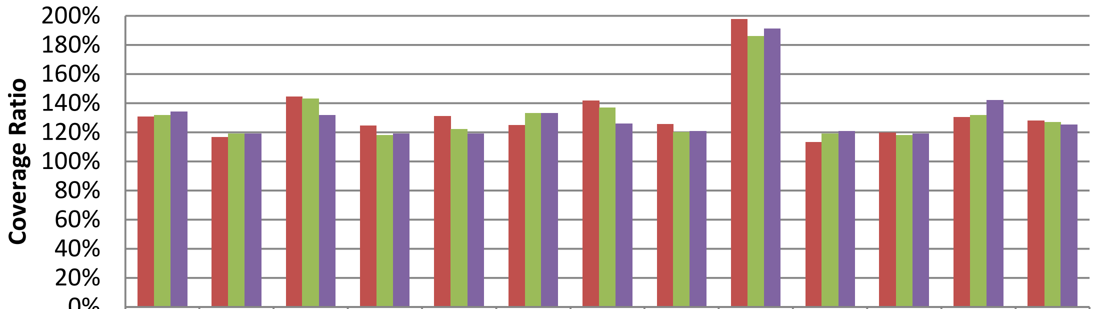
*Totals may not round to 100 percent

Collateral Coverage

The System-wide adjusted minimum collateral-to-advances coverage ratio[1] was 125 percent at year-end 2013, a three percentage point decrease from year-end 2011 (see exhibit below). The average collateral coverage ratios were little changed at most Banks between year-end 2011 and year-end 2013. Over this period, three FHLBanks (Chicago, Cincinnati, and Pittsburgh) reported average collateral coverage ratio decreases of 10 percentage points or more and the FHLBank of Seattle reported a 12 percentage point increase. Consistent with its high share of advances secured by blanket lien, the FHLBank of Dallas reported the highest average coverage ratio, 191 percent. Section 3 provides additional detail by FHLBank.

[1] 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.

Adjusted Minimum Collateral Coverage
By FHLBank
Year-ends 2011, 2012 and 2013

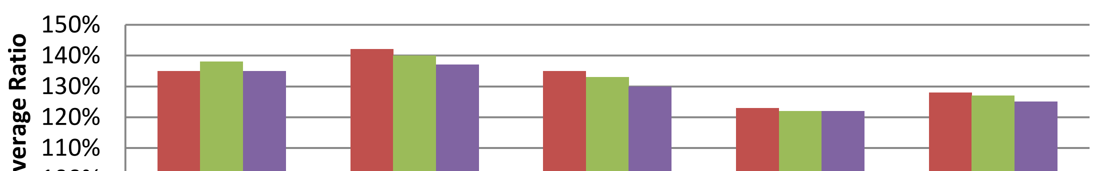


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
2011	131%	117%	144%	124%	131%	125%	142%	126%	198%	113%	120%	130%	128%
2012	132%	119%	143%	118%	122%	133%	137%	120%	186%	119%	118%	132%	127%
2013	134%	119%	132%	119%	119%	133%	126%	121%	191%	121%	119%	142%	125%

Coverage of Advances by Member Asset Size

Collateral coverage ratios vary somewhat by member asset size. As the graph below indicates, for year-end 2013, 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 137 percent for members with assets greater than $100 million to the CFI limit.

System Adjusted Minimum Collateral Coverage
By Member Asset Size
Year-ends 2011, 2012 and 2013



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	135%	142%	135%	123%	128%
2012	138%	140%	133%	122%	127%
2013	135%	137%	130%	122%	125%

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 151 percent, while the average collateral coverage ratio for the largest members (greater than $10 billion in assets) was 215 percent. See Section 4 of this report for individual FHLBank data.

Coverage ratios across member asset-size groups may vary for FHLBank-specific reasons. Generally speaking, however, higher collateral coverage ratios are required for members who borrow under blanket pledge agreements. Lower collateral coverage ratios for larger members may reflect their greater likelihood of pledging collateral under listing agreements or greater use of delivered securities.

Subprime and Nontraditional Collateral

Beginning with the 2009 Collateral Data Survey, we asked the FHLBanks to provide information for subprime and nontraditional mortgage loan and subprime and Alt-A PLS collateral pledged to secure advances.[2] Overall, FHLBank reliance on such collateral has declined since the initial survey, from $195 billion reported at year-end 2009 to $35 billion reported at year-end 2013, although some FHLBanks reported an increased reliance on subprime and nontraditional mortgage loan collateral securing advances between year-end 2011 and year-end 2013.

Collateral identified as subprime, nontraditional or Alt-A accounted for 5.6 percent of adjusted minimum collateral securing advances at year-end 2013, a decrease from 12.0 percent at year-end 2012, and 6.8 percent at year-end 2011.[3] As the tables on the following pages illustrate, the amount of subprime and nontraditional mortgage collateral securing advances decreased between year-end 2011 and year-end 2013. The amounts of subprime or Alt-A PLS securities collateral securing advances exhibit a similar trend.

[2] Section 8 discusses how the terms "subprime," "nontraditional," and "Alt-A" are used in the Collateral Data Survey.
[3] 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**
2010	$10,917	$35,585	$2,714	$812	$1,733	$51,761
2011*	$10,204	$23,903	$669	$45	$226	$35,047
2012*	$15,627	$42,275	$4,361	$558	$81	$62,901
2013	$4,303	$30,763	$63	$0	$39	$35,169

*****The FHLB of Pittsburgh resubmitted data for year-ends 2011 and 2012. The FHLBank of Atlanta resubmitted data for year-end 2012.

Collateral Type	**Indicator for Mortgage or PLS Collateral**	**Adjusted Minimum Collateral Securing Advances Subprime, Nontraditional and Alt-A Collateral to Collateral Class**		
		Percentage of Collateral Class 2011	**Percentage of Collateral Class 2012**	**Percentage of Collateral Class 2013**
Subprime Mortgage Loans*	A	2.9	4.4	1.0
Nontraditional Mortgage Loans*	A	6.9	11.9	6.9
Mortgage Loans that are Both Subprime and Nontraditional*	A	0.2	1.2	0.0
Subprime PLS	B	0.3	2.8	0.0
Alt-A PLS	B	1.4	0.4	0.2

(A) Percentage of mortgage loan collateral; (B) percentage of PLS collateral

Collateral Type	**Adjusted Minimum Collateral Securing Advances Subprime, Nontraditional and Alt-A Collateral to Total Collateral**		
	Percentage of Total Collateral 2011	**Percentage of Total Collateral 2012**	**Percentage of Total Collateral 2013**
Subprime Mortgage Loans*	2.0	3.0	0.7
Nontraditional Mortgage Loans*	4.6	8.1	4.9
Mortgage Loans that are Both Subprime and Nontraditional*	0.1	0.8	0.1
Subprime PLS	0.0	0.1	0.0
Alt-A PLS	0.0	0.0	0.0
Total	6.8	12.0	5.6

The totals may differ somewhat from the sum of the shares in the table above due to rounding.

*****The FHLB of Pittsburgh resubmitted data for year-ends 2011 and 2012. The FHLBank of Atlanta resubmitted data for year-end 2012.

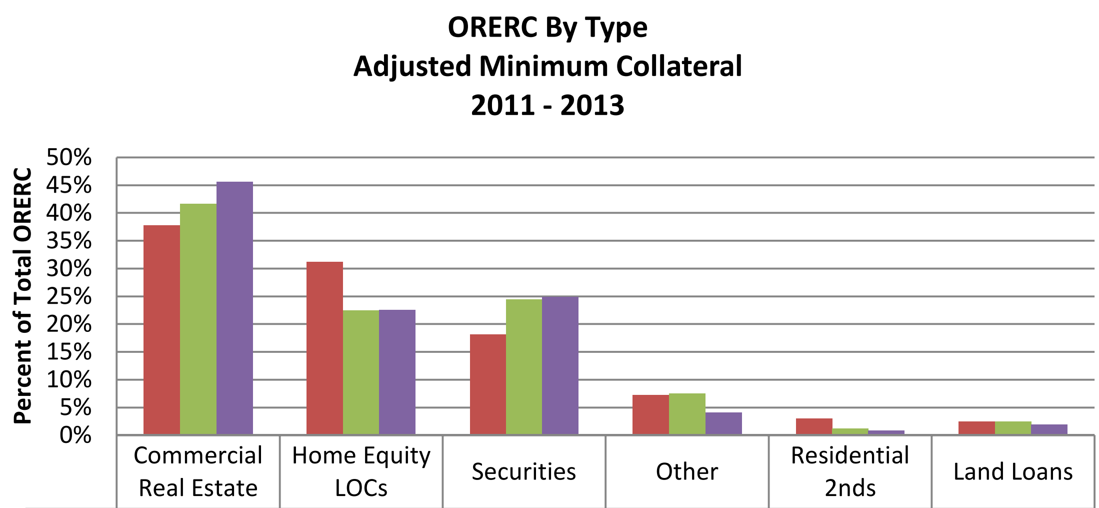
Some of the changes in reported amounts of subprime and nontraditional collateral reflect updates to internal policies or increased collateral data capture of loan detail at the FHLBanks. During 2013, FHLBank of Atlanta implemented a system upgrade which allows them to load additional fields for individual mortgage loans. Based on this expanded data, the FHLBank reclassified some of its pledged mortgage loans formerly considered subprime to the nontraditional category in their most recent data submission to FHFA. The FHLBank of New York revised its internal guidelines. After reviewing underlying loan details, the Bank determined that some mortgage collateral previously classified as nontraditional would not be considered nontraditional under the standards outlined in the Interagency Guidance on Nontraditional Mortgage Product Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending (October 5, 2006). The FHLBank of New York chose not to adjust its nontraditional loan reporting for prior years as it was due to an internal FHLBank policy revision.

Other Real Estate Related Collateral

Overall, the ORERC share of collateral decreased slightly to 13.0 percent of adjusted minimum collateral at year-end 2013, compared to 14.1 percent at year-end 2012 (see graph at the beginning of Section 2). As shown below, commercial real estate loans accounted for the majority of ORERC at year-end 2013, 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 2013. The “other” category consists of reverse mortgages, residential loss sharing loans,[4] loan participations and commercial real estate second mortgage loans. Other ORERC

[4] Loss share is a feature that the Federal Deposit Insurance Corporation (FDIC) first introduced into selected purchase and assumption transactions in 1991. Under loss share, the FDIC absorbs a portion of the loss on a specified pool of assets to maximize asset recoveries and minimize FDIC losses.

collateral pledged to the FHLBank of San Francisco represents the majority of this collateral.



	Commercial Real Estate	Home Equity LOCs	Securities	Other	Residential 2nds	Land Loans
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%
2013	45.6%	22.5%	24.9%	4.1%	0.9%	1.9%

All of the FHLBanks reported outstanding advances secured by ORERC at year-end 2013. Section 5 of this report provides additional detail on ORERC by FHLBank.

Multifamily Whole Mortgage Loan Collateral

System-wide, multifamily loans accounted for 12.6 percent of whole loan collateral pledges, an increase of one percentage point from a year earlier. Five FHLBanks—Cincinnati, New York, Pittsburgh, San Francisco and Seattle—report multifamily shares higher than the system average; at the FHLBanks of Cincinnati and San Francisco, the multifamily share was closer to twice the system average.

Multifamily Whole Mortgage Loans Pledged to the FHLBanks
($ Millions)
Year-end 2013

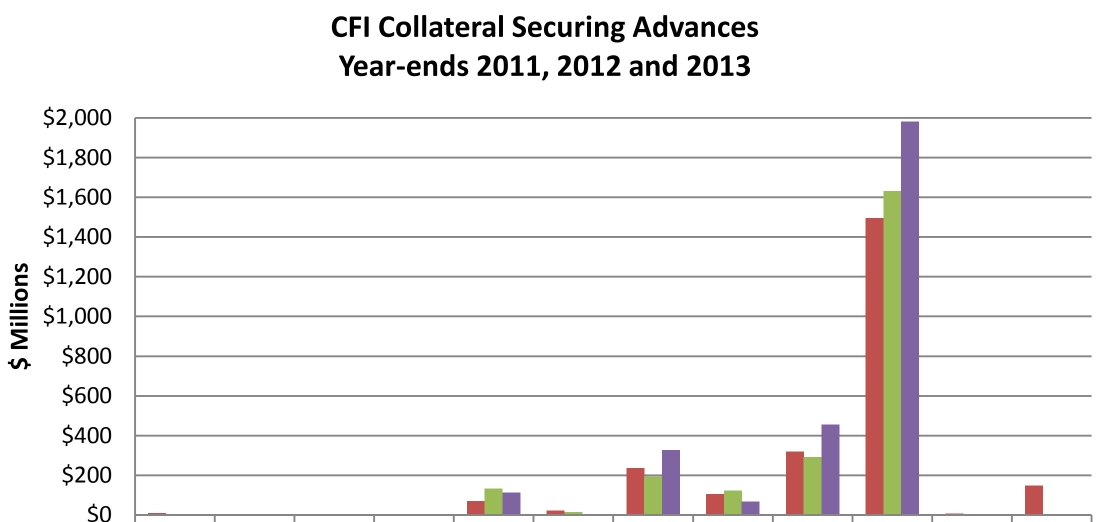
FHLBank	Total Multifamily Loans Pledged ($Millions)	Total Whole Loans Pledged ($Millions)	Multifamily Loans as a Percent of Total Whole Loans Pledged
Boston	$1,470	$71,472	2.1%
New York	$30,602	$166,236	18.4%
Pittsburgh	$13,737	$98,822	13.9%
Atlanta	$9,008	$173,723	5.2%
Cincinnati	$33,211	$158,246	21.0%
Indianapolis	$2,032	$19,905	10.2%
Chicago	$3,429	$48,244	7.1%
Des Moines	$4,992	$108,329	4.6%
Dallas	$4,016	$38,595	10.4%
Topeka	$2,123	$32,336	6.6%
San Francisco	$24,462	$110,841	22.1%
Seattle	$4,572	$33,444	13.7%
System	**$133,654**	**$1,060,172**	**12.6%**

Community Financial Institution Collateral

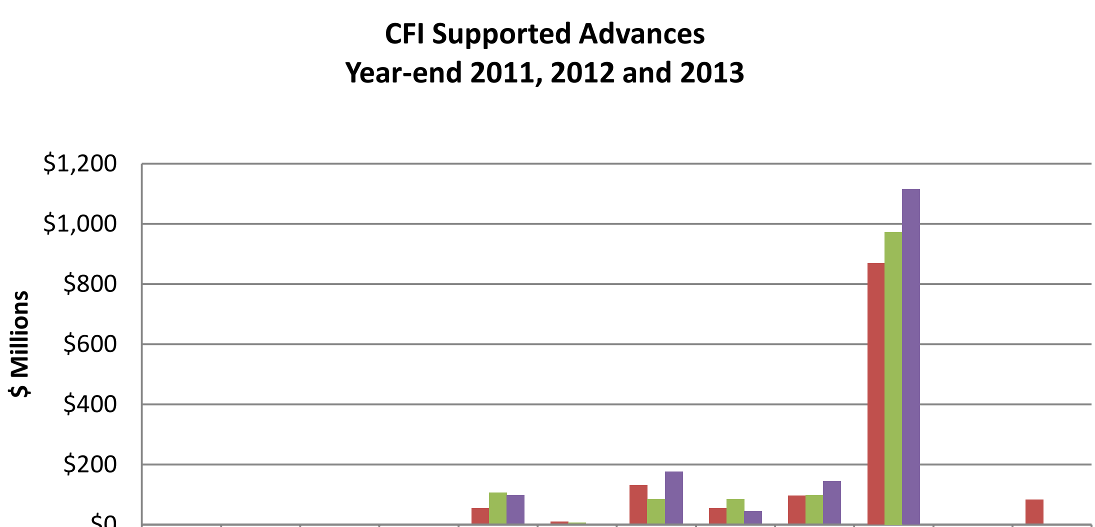
The FHLBanks report data on the types of CFI collateral that they accept, as well as the associated advances secured solely by CFI collateral. The FHLBanks reported $2.9 billion of CFI collateral securing $1.6 billion of member advances at year-end 2013, nearly identical to the year-end 2012 amount. CFI collateral pledge totals are significantly higher than related advances due to the FHLBanks' 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 such loans.

CFI collateral represented one half of one percent of total adjusted collateral at the most recent 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. CFI collateral often has the last place in the hierarchy and other types of collateral were sufficient in most cases to secure members' outstanding advances.

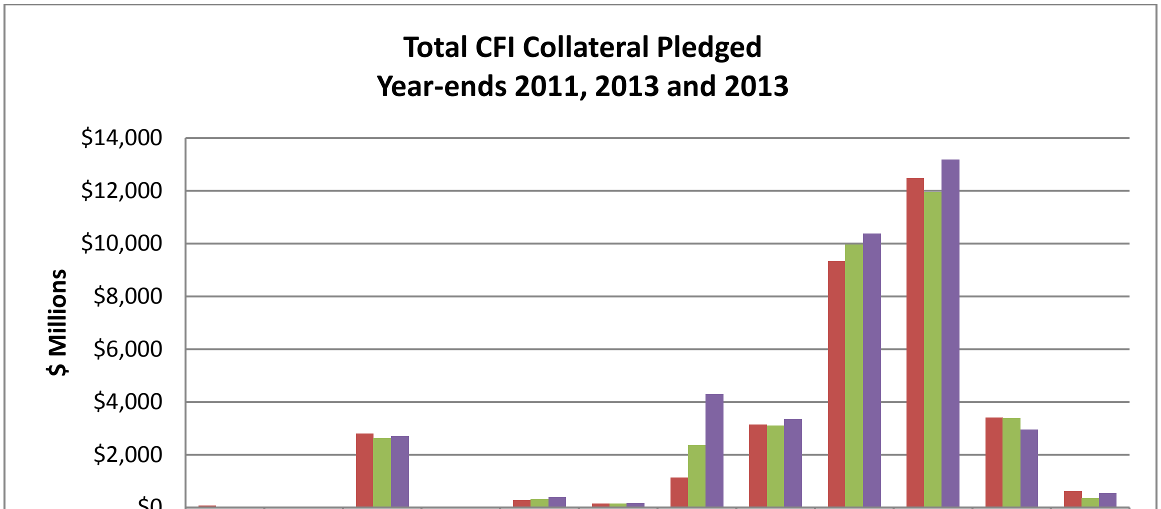
Members pledge substantial amounts of CFI collateral for potential FHLBank advances, to secure available lines of credit, and for other FHLBank products to meet liquidity needs. The FHLBanks reported $38 billion of total CFI collateral pledged by CFI members at year-end 2013.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	$0	$0	$0	$0	$111	$1	$328	$68	$454	$1,981	$0	$3



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	$0	$0	$0	$0	$98	$0	$177	$47	$146	$1,115	$0	$2



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	$6	$0	$2,707	$0	$402	$169	$4,291	$3,338	$10,369	$13,172	$2,939	$536

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. 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 become FHLBank members.

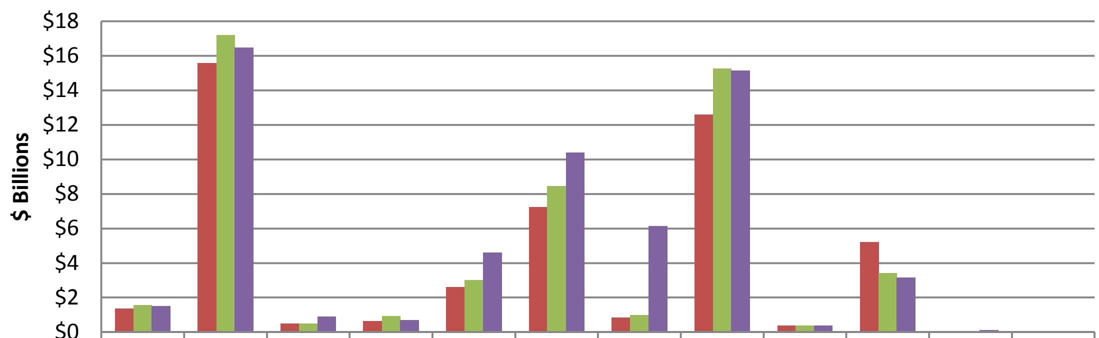
At year-end 2013, there were 18 non-depository CDFI members system wide with $59 million in combined advances outstanding, an increase of four members and $17.4 million in outstanding advances from year-end 2012. All but three FHLBanks had non-depository CDFI members. (Data for CDFIs that are insured depositories are included with other depository institutions.)

Insurance Company Collateral

There were 302 insurance company members at year-end 2013, of which 124 held outstanding advances. Insurance company advances increased by 15 percent to $59.3 billion at year-end 2013, and accounted for twelve percent of total System advances. The insurance company share of total advances was unchanged from year-end 2012. The

FHLBanks of New York, Des Moines, Indianapolis and Chicago reported the largest volume of advances outstanding to insurance companies.

Insurance Company Advances
Year-ends 2011, 2012 and 2013



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	$1.51	$16.46	$0.88	$0.68	$4.60	$10.39	$6.13	$15.14	$0.36	$3.14	$0.10	$0.00

The System-wide collateral coverage ratio for insurance companies is the lowest of any member type, at 113 percent. The lower coverage ratio results from the fact that delivered securities account for a significant share of collateral securing advances to insurance companies (57.3 percent of collateral pledged). An FHLBank can generally determine the value of securities collateral more easily and more frequently than other forms of collateral, reducing the need for higher coverage levels. In addition, 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 2012 and 2013. Section 7 of this report provides additional details about insurance company collateral.

Insurance Company Collateral

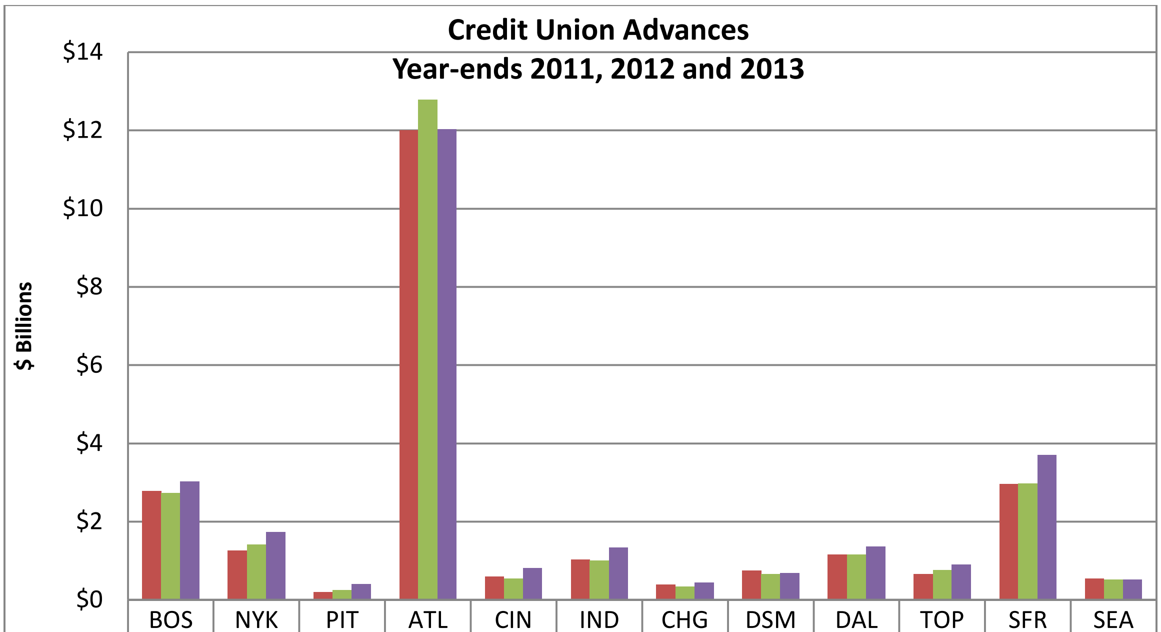
Collateral Type	Percentage of Insurance Company Collateral 2012	Percentage of Insurance Company Collateral 2013
PLS	1	1
U.S. Agency MBS/CMOs	39	39
ORERC	35	37
Whole loans	3	5
Securities and deposits	21	19

*Totals may not round to 100 percent

Credit Union Collateral

There were 1,216 credit union members at year-end 2013, of which 435 held advances. During 2013, credit union borrowing increased by 7.6 percent, from $25.1 billion at year-end 2012 to $27.0 billion at year-end 2013.

Advances to credit union members account for six percent of total system advances at year-end 2013. The highest share was at the Boston FHLBank, where advances to credit unions represented 15 percent of advances. The FHLBanks of Atlanta, San Francisco and Boston reported the highest dollar volumes of advances to credit union members as of year-end 2013.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	3.03	1.73	0.41	12.03	0.81	1.34	0.45	0.69	1.36	0.91	3.71	0.52

Credit unions primarily pledge whole loans to secure advances. The table below shows the distribution of collateral securing advances to credit unions at year-ends 2012 and 2013:

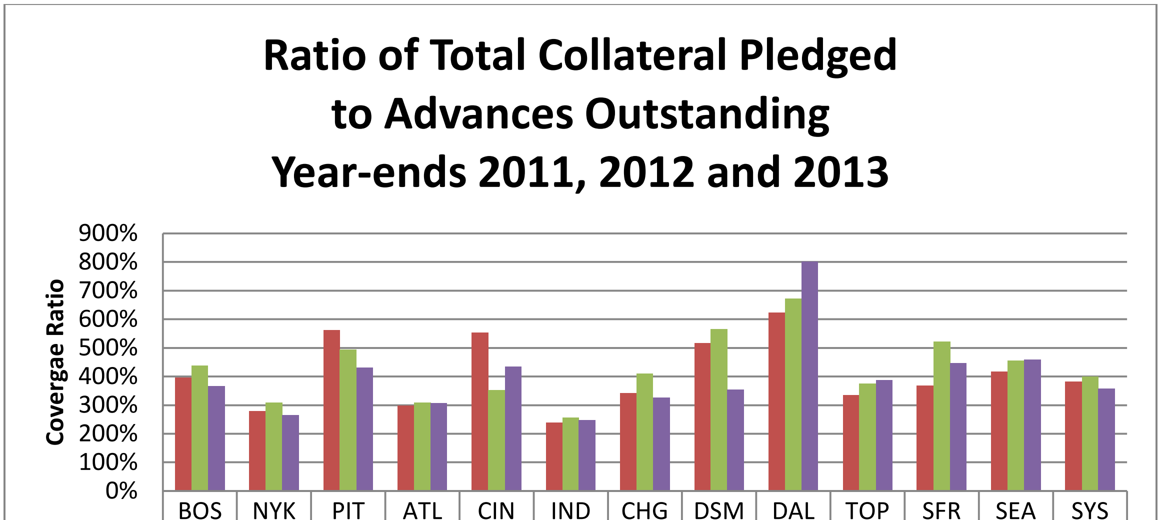
Credit Union Collateral		
Collateral Type	**Percentage of Credit Union Collateral 2012**	**Percentage of Credit Union Collateral 2013**
PLS	**0**	**0**
U.S. Agency MBS/CMOs	**16**	**16**
ORERC	**1**	**1**
Whole loans	**81**	**81**
Securities and deposits	**2**	**2**

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

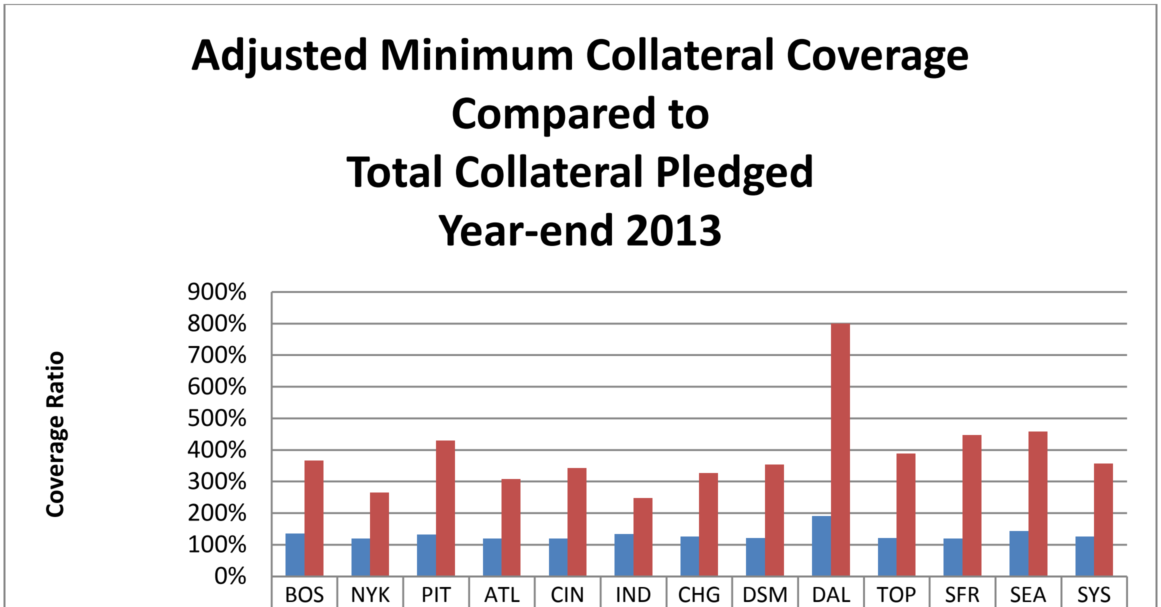
Total Collateral Pledged

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 derivative transactions the FHLBanks issue to members. Members pledge the same types of collateral for other FHLBank products as for advances.

The System-wide ratio of total collateral to advances was 357 percent at year-end 2013, 232 percentage points above the System adjusted minimum advance collateral coverage ratio.



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
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%
2013	366%	265%	430%	307%	434%	248%	326%	354%	800%	387%	446%	458%	357%

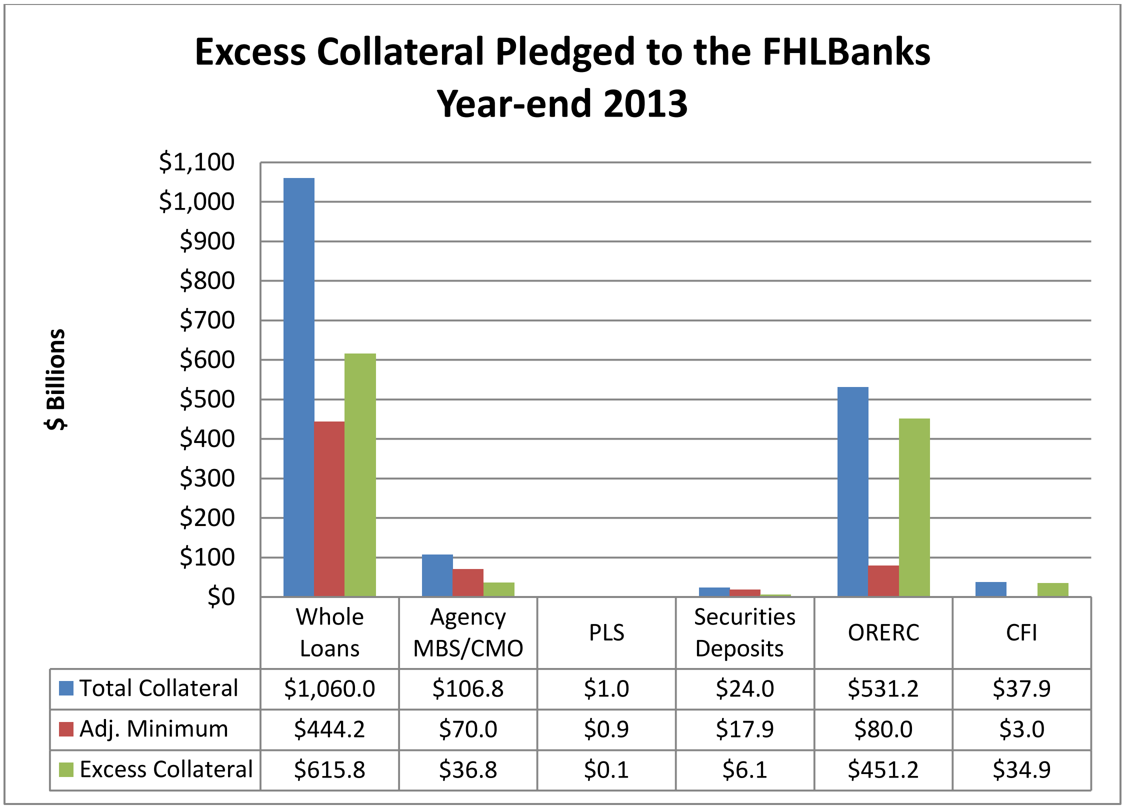


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
Adjusted Minimum	134%	119%	132%	119%	119%	133%	126%	121%	191%	121%	119%	142%	125%
Total	366%	265%	430%	307%	343%	248%	326%	354%	800%	387%	446%	458%	357%

The ratio of total collateral to advances ranged from a high of 800 percent at the FHLBank of Dallas to a low of 265 percent at the FHLBank of New York.

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.



	Whole Loans	Agency MBS/CMO	PLS	Securities Deposits	ORERC	CFI
Total Collateral	$1,060.0	$106.8	$1.0	$24.0	$531.2	$37.9
Adj. Minimum	$444.2	$70.0	$0.9	$17.9	$80.0	$3.0
Excess Collateral	$615.8	$36.8	$0.1	$6.1	$451.2	$34.9

The vast majority of excess collateral pledged consisted of whole loans (54 percent or $615 billion) and ORERC (40 percent or $451 billion). CFI members have considerable excess CFI collateral to expand advances as their liquidity needs dictate ($35 billion).

3. Collateral by Type – Five Year Review

Whole loans were the largest component of adjusted minimum collateral at 72 percent of collateral at year-end 2013. Combined PLS and U.S. Agency MBS/CMOs (collectively, MBS/CMOs) represented 12 percent; ORERC 13 percent; securities/deposits 3 percent; and CFI collateral, one-half of 1 percent.

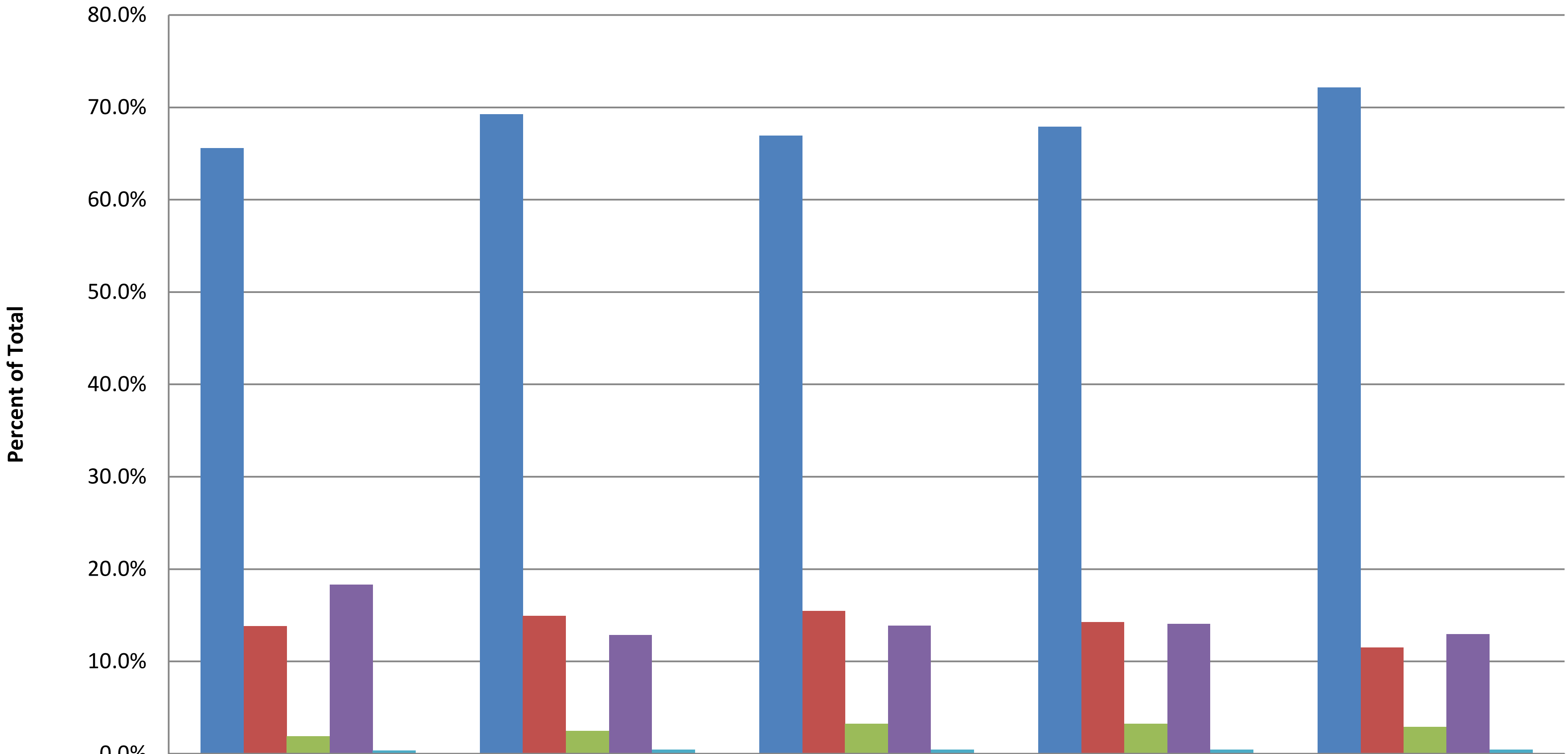
The FHLBanks have long relied on whole loan collateral for advances. In each of the last five years, whole loan collateral accounted for two-thirds or more of adjusted minimum collateral system-wide, increasing to 72 percent at year-end 2013. The ORERC share generally declined over this period, accounting for 13 percent of collateral at year-end 2013, down from a recent high of 18 percent of collateral at year-end 2009.

Whole loans were the largest component of collateral at all FHLBanks except Indianapolis. At four of the FHLBanks (Boston, Pittsburgh, Cincinnati 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 13 percent at the FHLBanks of Dallas, Des Moines, Indianapolis and San Francisco. At the FHLBank of Indianapolis, ORERC represented 36 percent of total adjusted minimum collateral at year-end 2013.

The FHLBanks of Indianapolis and Topeka 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 2013 compared to a system average of 11 percent.

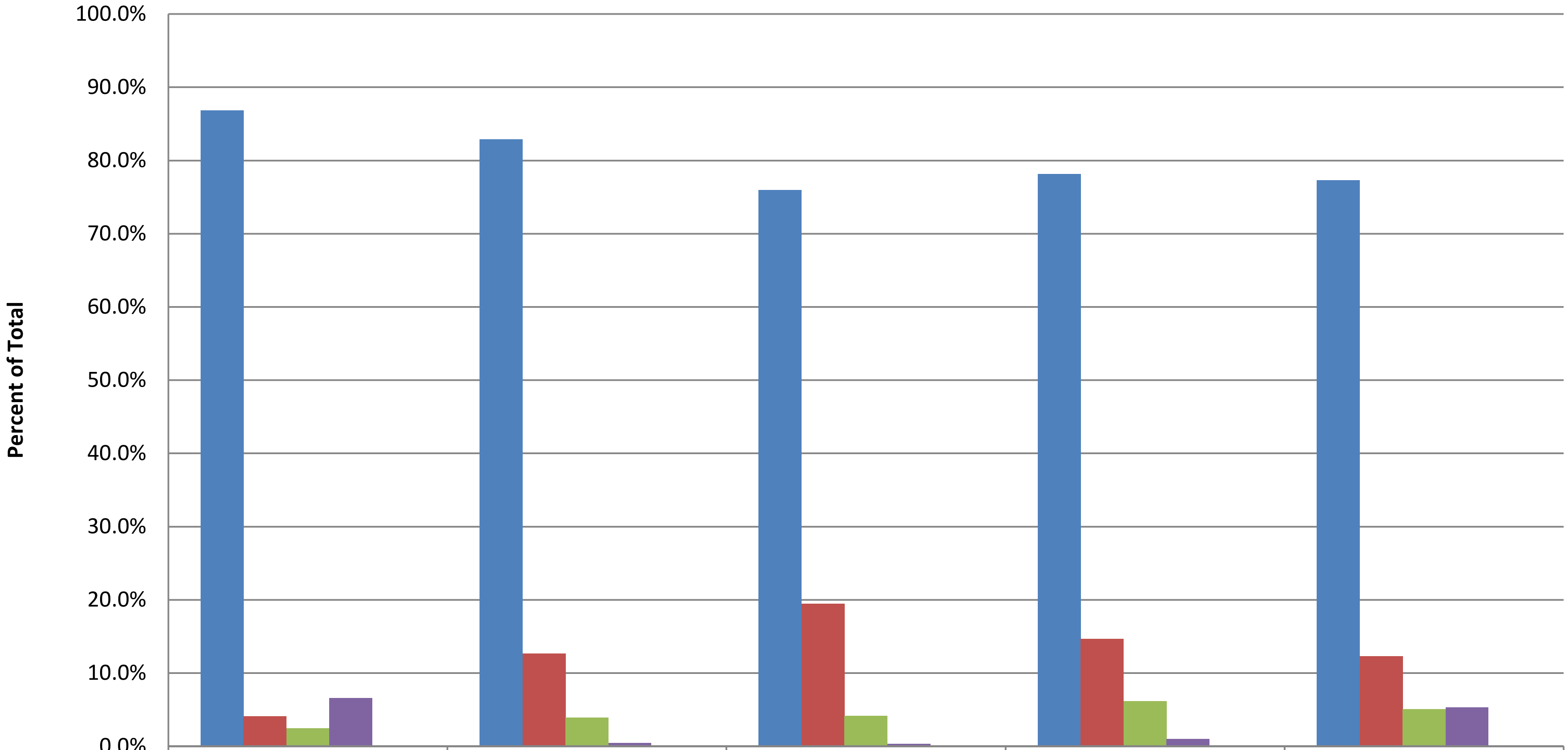
The graphs on the following pages present data on the types of collateral that secured advances over the past five years at the System and FHLBank level.

System Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

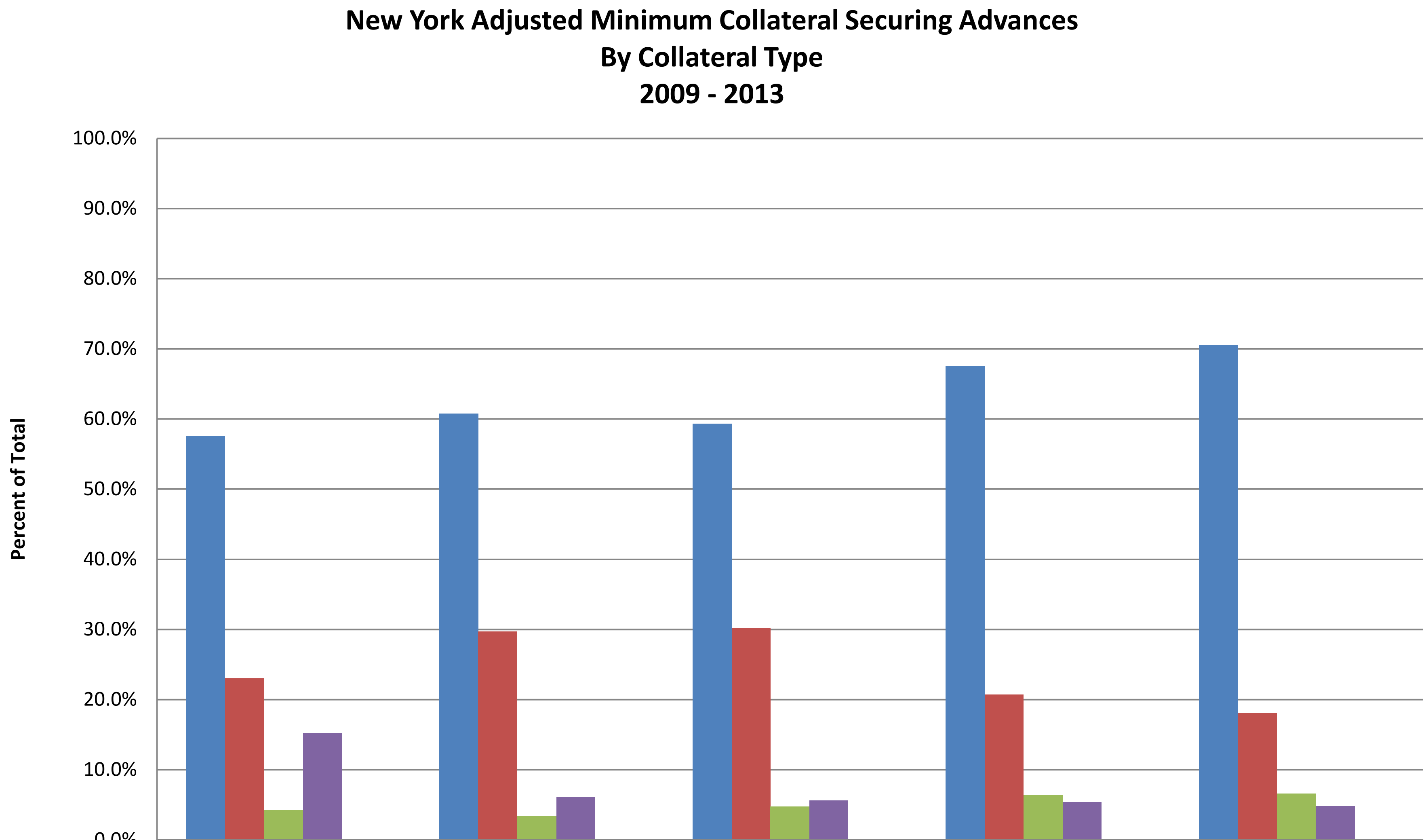


	2009	2010	2011	2012	2013
Whole Loans	65.6%	69.3%	66.9%	67.9%	72.1%
MBS/CMO	13.8%	14.9%	15.5%	14.3%	11.5%
Securities	1.9%	2.5%	3.3%	3.2%	2.9%
ORERC	18.3%	12.9%	13.9%	14.1%	13.0%
CFI	0.4%	0.5%	0.5%	0.5%	0.5%

Boston Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

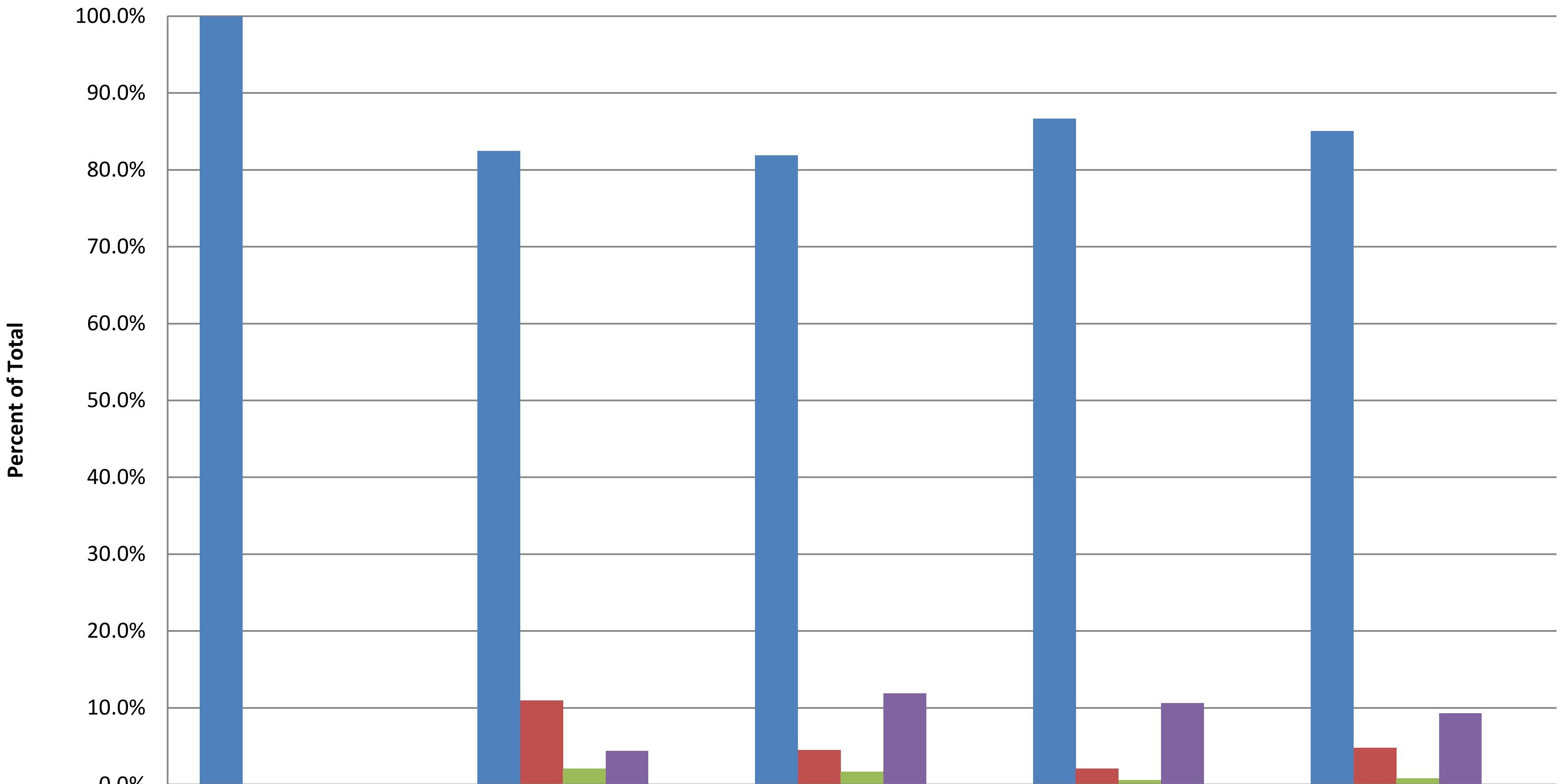


	2009	2010	2011	2012	2013
Whole Loans	86.9%	82.9%	76.0%	78.1%	77.3%
MBS/CMO	4.1%	12.7%	19.5%	14.7%	12.3%
Securities	2.4%	3.9%	4.2%	6.2%	5.1%
ORERC	6.6%	0.4%	0.3%	1.0%	5.3%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%



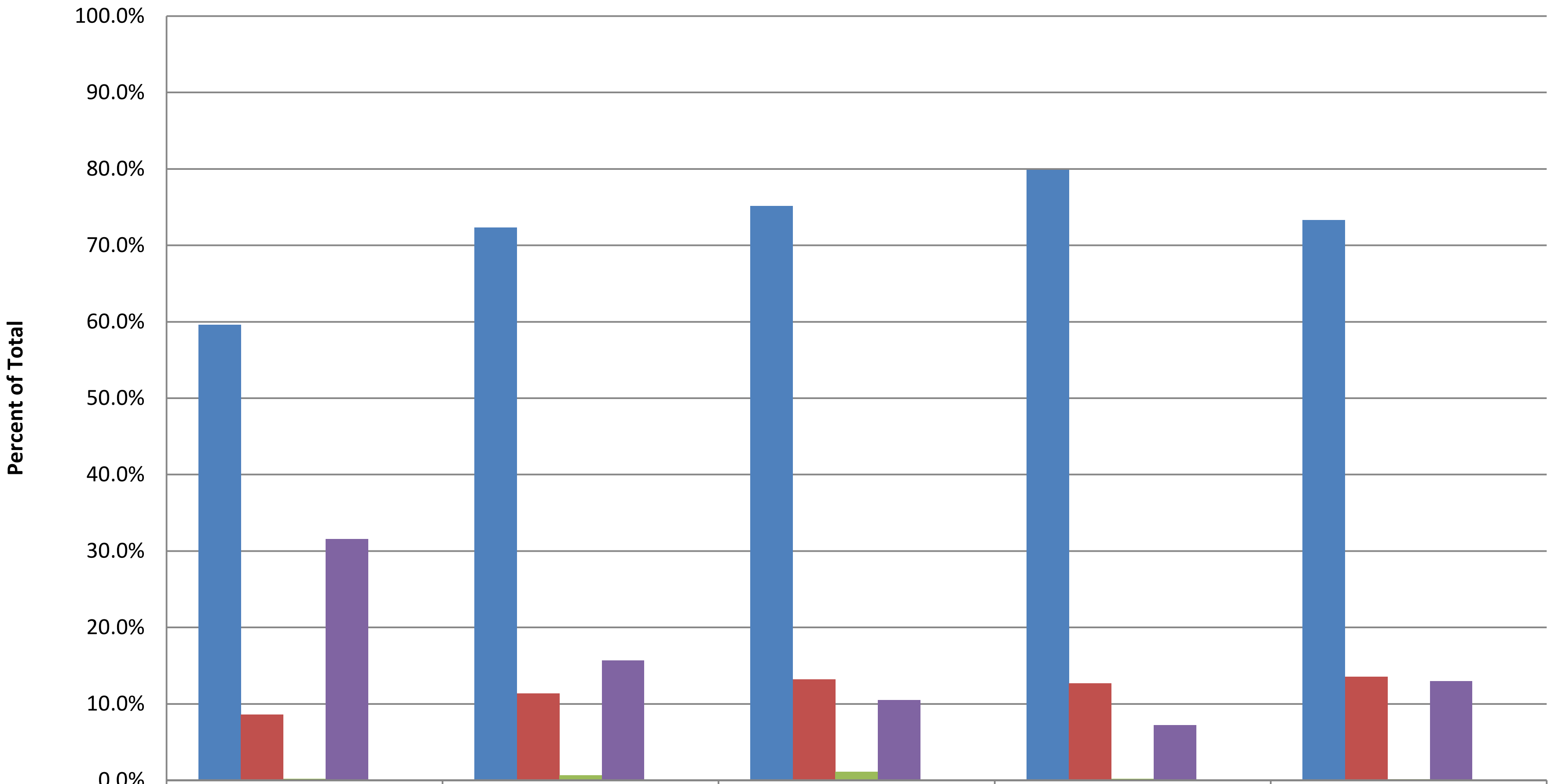
	2009	2010	2011	2012	2013
Whole Loans	57.6%	60.8%	59.4%	67.5%	70.5%
MBS/CMO	23.0%	29.7%	30.2%	20.7%	18.1%
Securities	4.2%	3.4%	4.7%	6.4%	6.6%
ORERC	15.2%	6.1%	5.6%	5.4%	4.8%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%

Pittsburgh Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

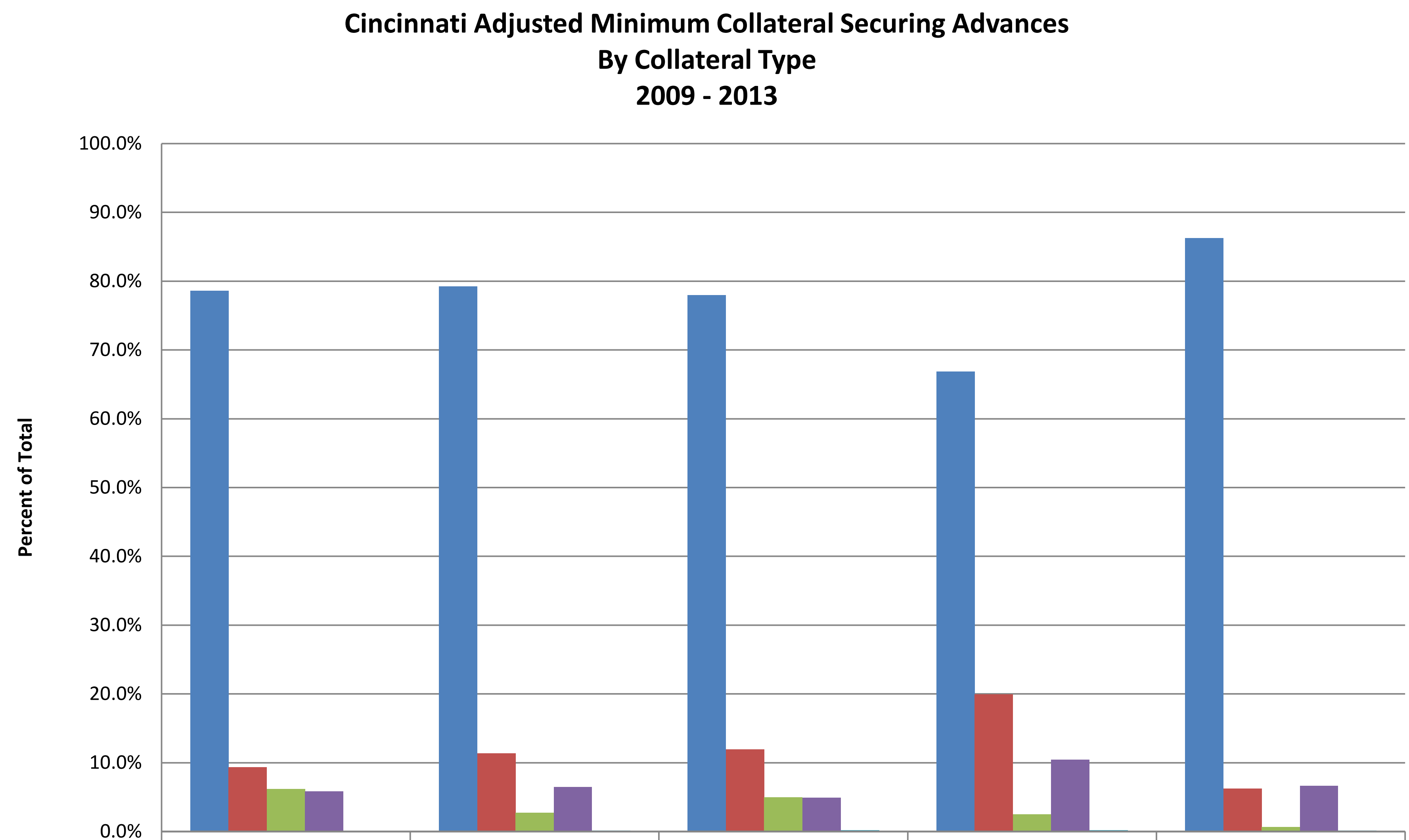


	2009	2010	2011	2012	2013
Whole Loans	100.0%	82.5%	81.8%	86.7%	85.1%
MBS/CMO	0.0%	11.0%	4.6%	2.1%	4.8%
Securities	0.0%	2.1%	1.7%	0.6%	0.8%
ORERC	0.0%	4.4%	11.9%	10.6%	9.3%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%

Atlanta Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

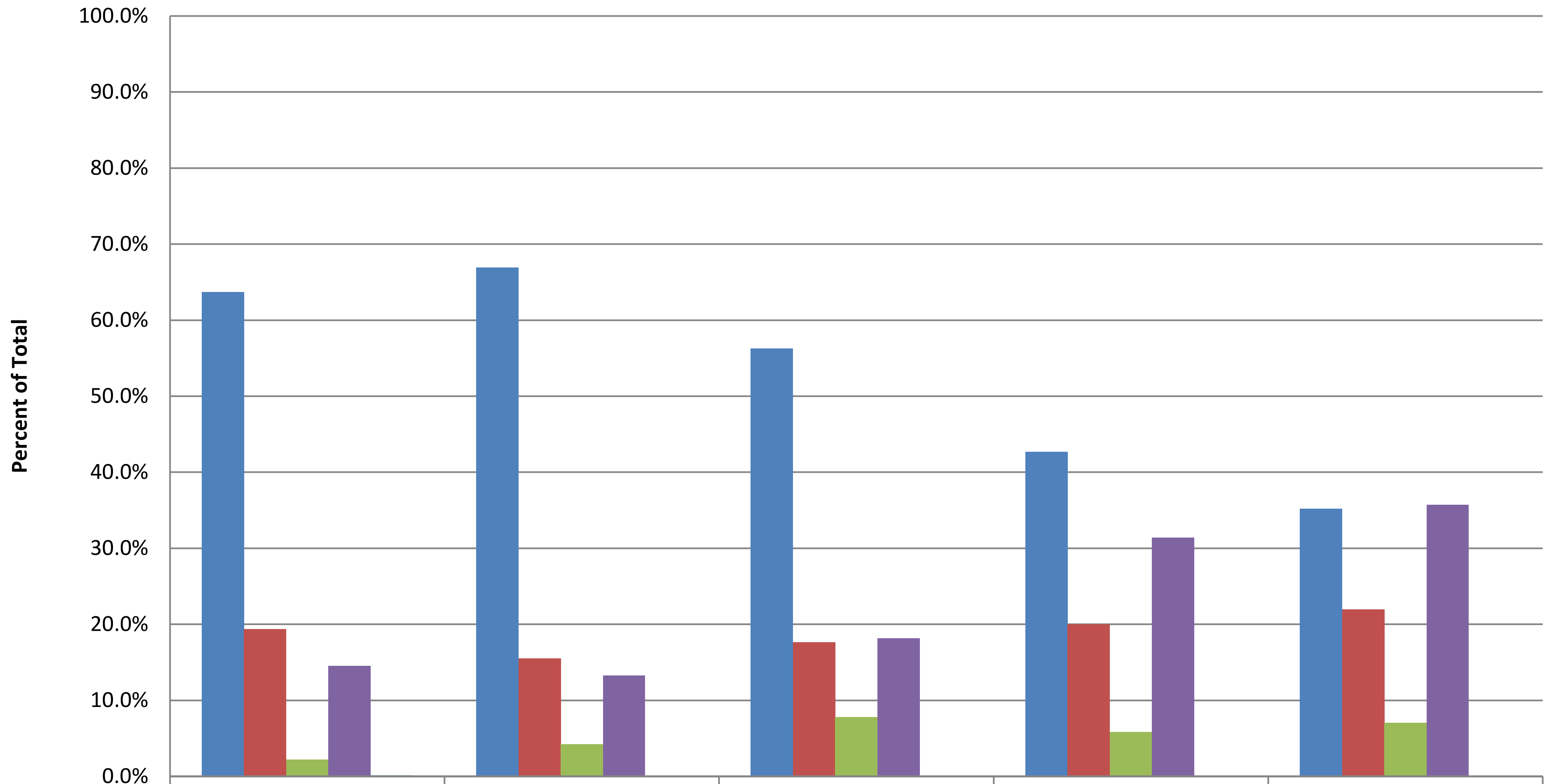


	2009	2010	2011	2012	2013
Whole Loans	59.6%	72.3%	75.2%	79.9%	73.3%
MBS/CMO	8.6%	11.3%	13.2%	12.7%	13.6%
Securities	0.2%	0.7%	1.1%	0.2%	0.2%
ORERC	31.6%	15.6%	10.5%	7.2%	13.0%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%

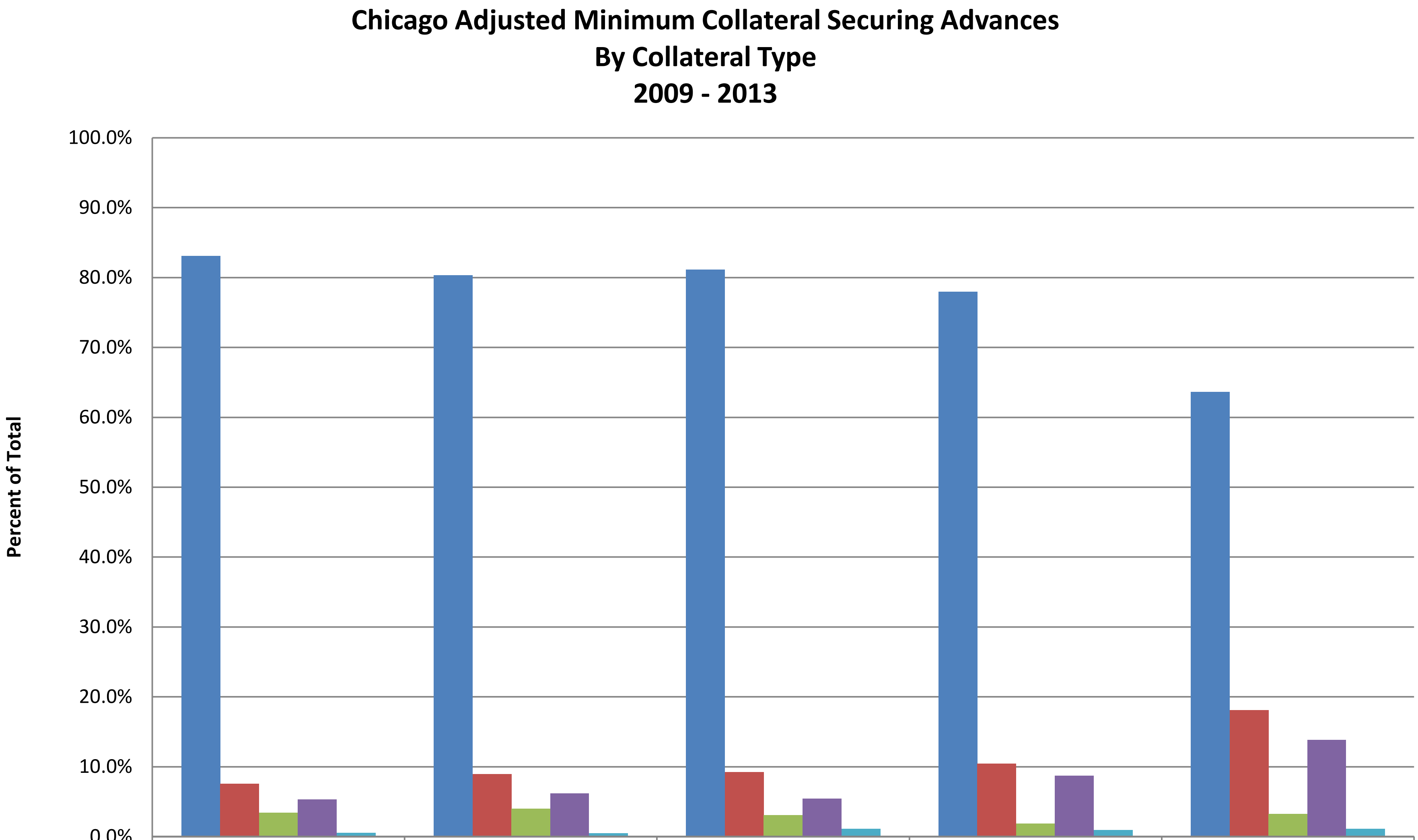


	2009	2010	2011	2012	2013
Whole Loans	78.6%	79.2%	78.0%	66.9%	86.2%
MBS/CMO	9.4%	11.4%	12.0%	20.0%	6.3%
Securities	6.2%	2.7%	5.0%	2.5%	0.7%
ORERC	5.8%	6.5%	4.9%	10.4%	6.7%
CFI	0.0%	0.2%	0.2%	0.2%	0.1%

Indianapolis Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

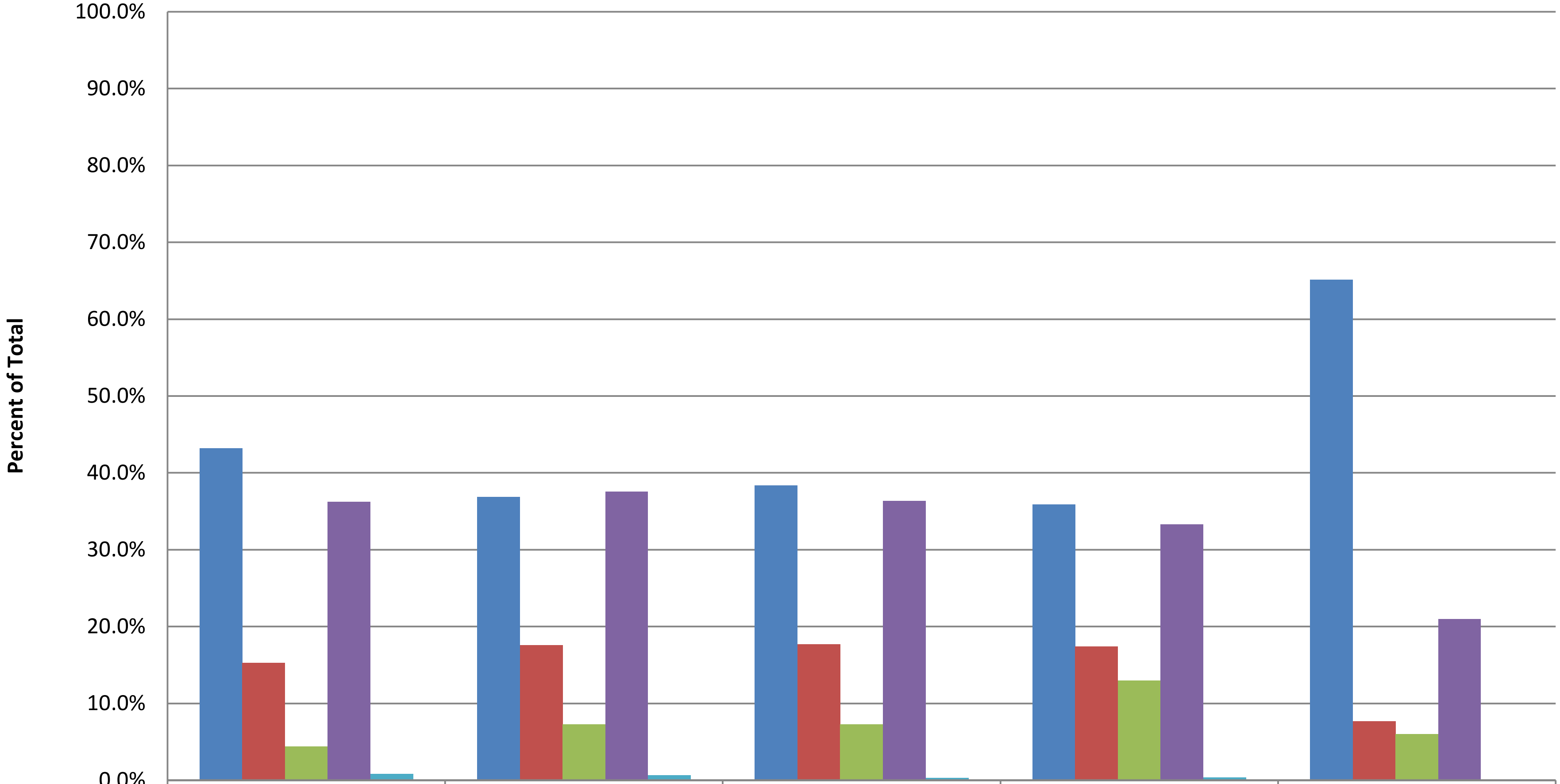


	2009	2010	2011	2012	2013
Whole Loans	63.7%	66.9%	56.3%	42.7%	35.2%
MBS/CMO	19.4%	15.5%	17.7%	20.0%	22.0%
Securities	2.2%	4.3%	7.8%	5.9%	7.1%
ORERC	14.5%	13.3%	18.2%	31.4%	35.7%
CFI	0.2%	0.0%	0.1%	0.1%	0.0%



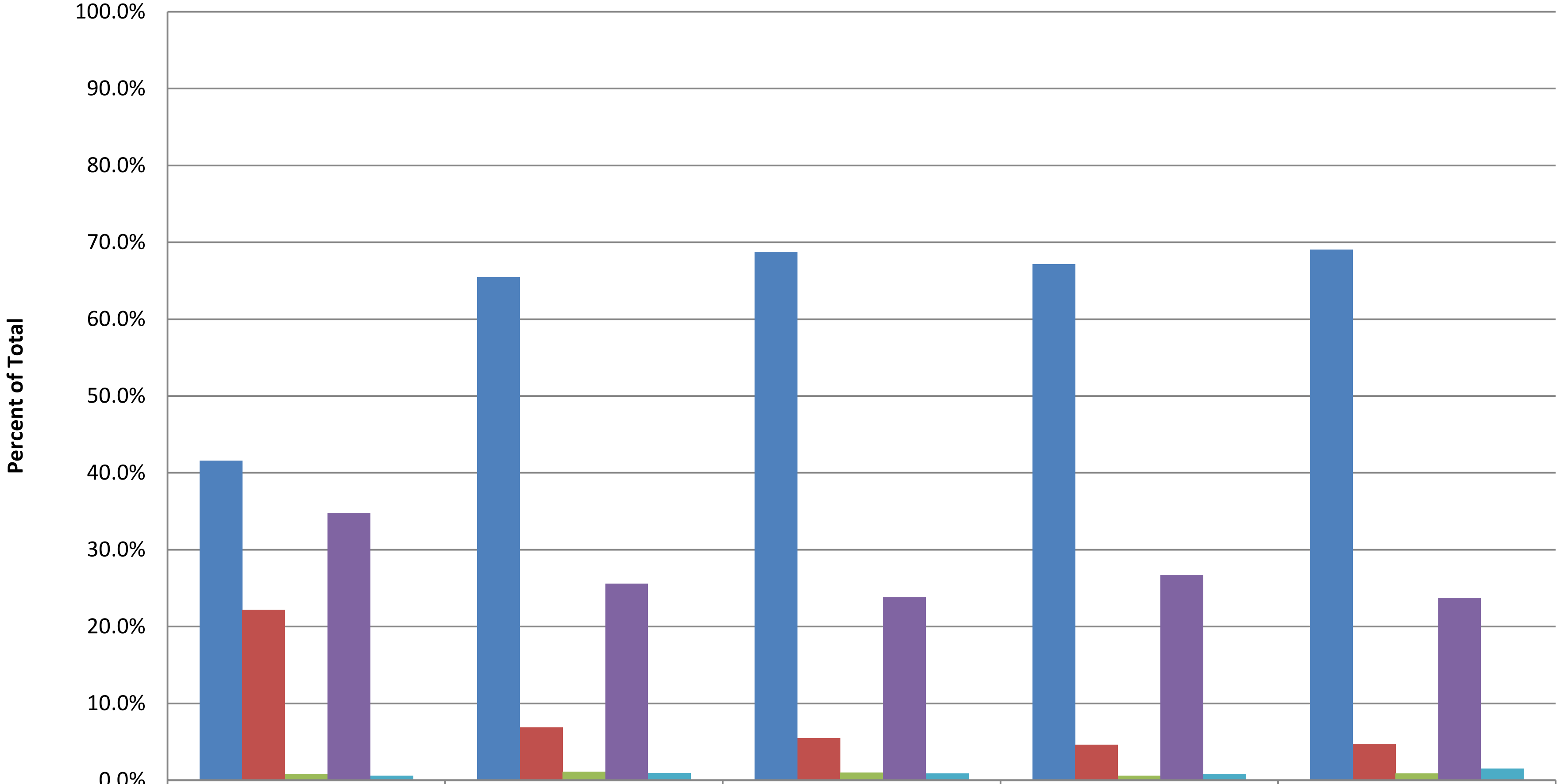
	2009	2010	2011	2012	2013
Whole Loans	83.1%	80.3%	81.2%	78.0%	63.7%
MBS/CMO	7.6%	9.0%	9.2%	10.5%	18.1%
Securities	3.4%	4.0%	3.1%	1.9%	3.2%
ORERC	5.3%	6.2%	5.4%	8.7%	13.8%
CFI	0.6%	0.5%	1.1%	1.0%	1.1%

Des Moines Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

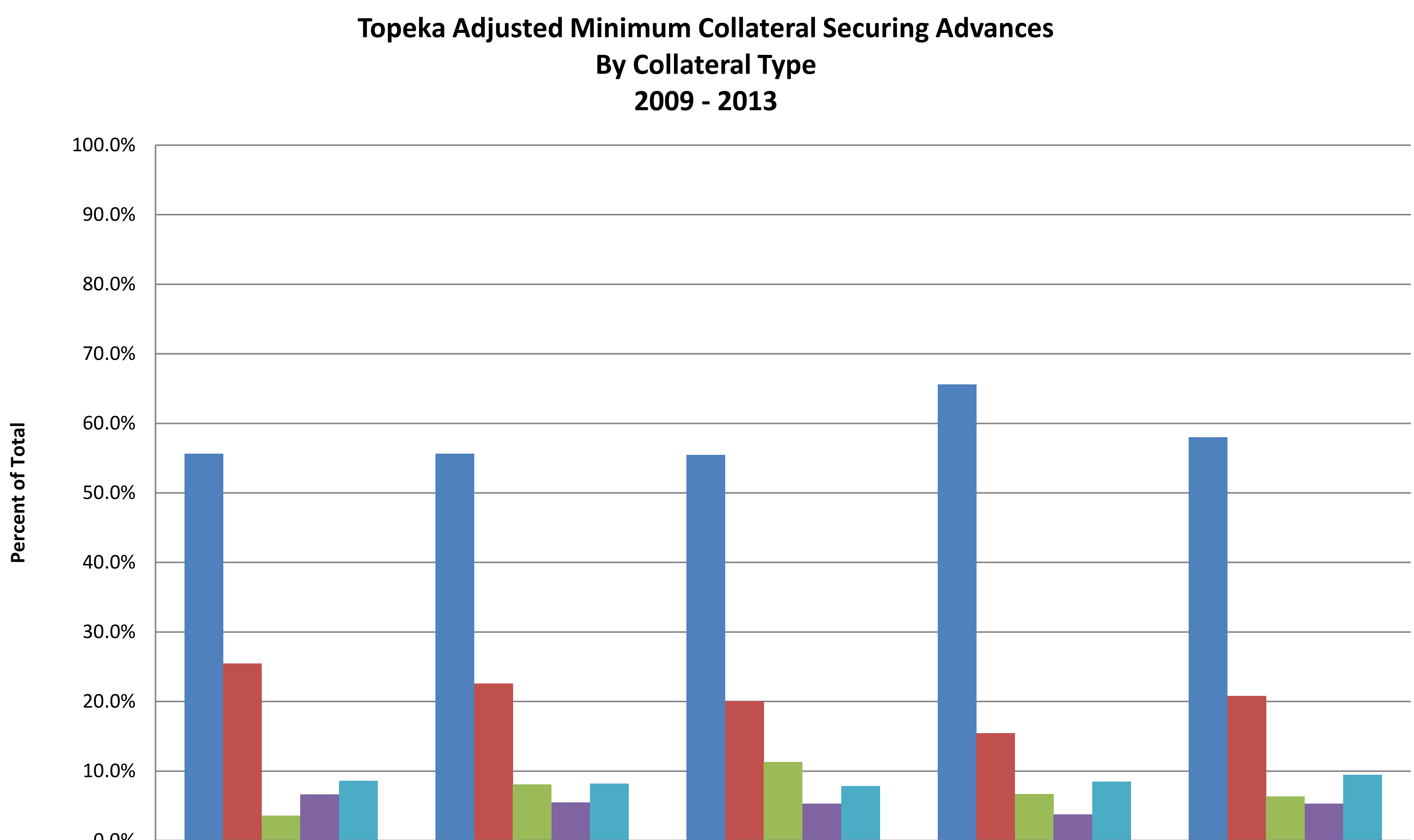


	2009	2010	2011	2012	2013
Whole Loans	43.2%	36.9%	38.3%	35.9%	65.2%
MBS/CMO	15.3%	17.6%	17.7%	17.4%	7.7%
Securities	4.4%	7.3%	7.3%	13.0%	6.0%
ORERC	36.3%	37.6%	36.4%	33.3%	21.0%
CFI	0.8%	0.7%	0.3%	0.4%	0.1%

Dallas Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013

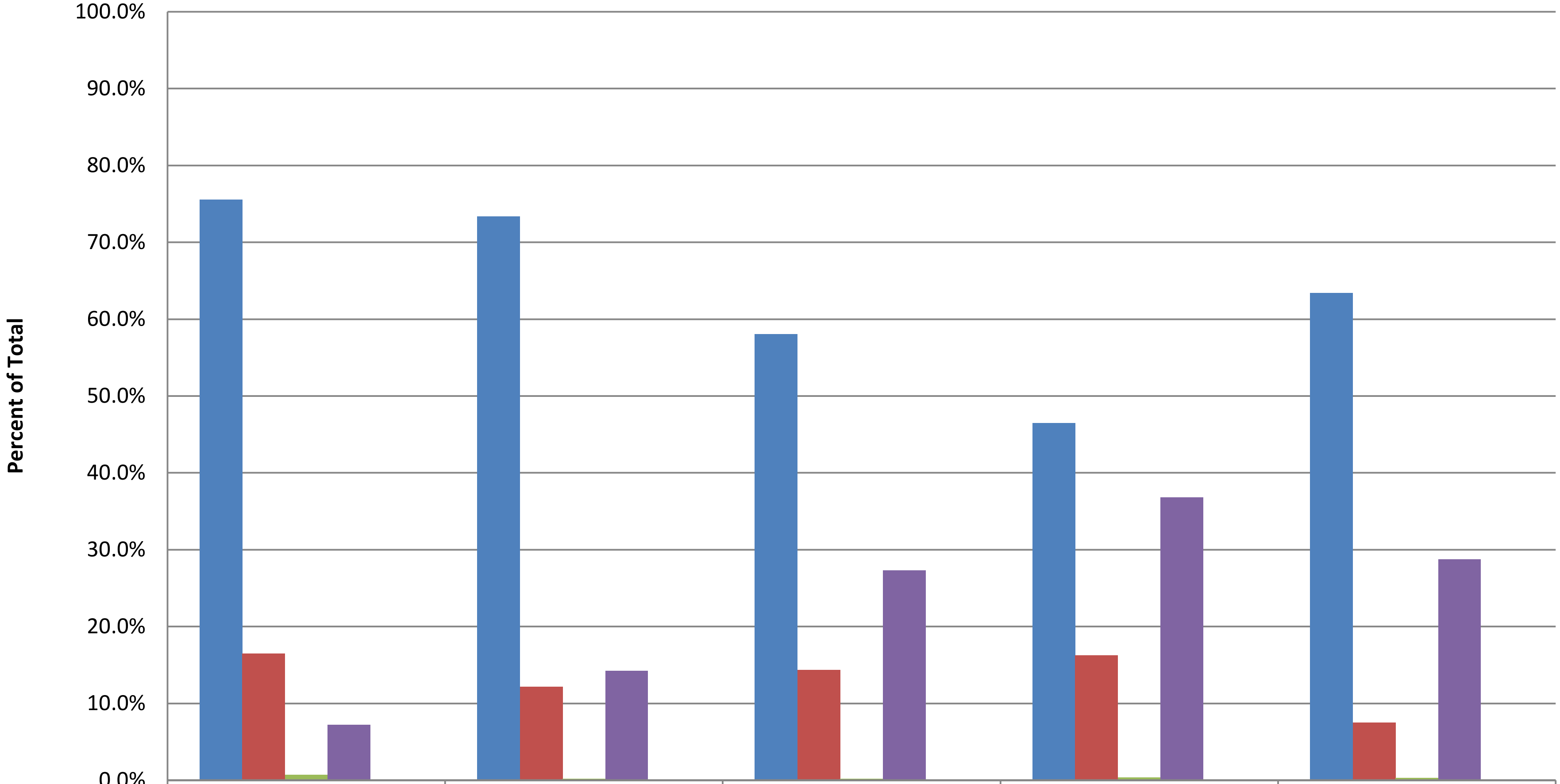


	2009	2010	2011	2012	2013
Whole Loans	41.6%	65.5%	68.8%	67.1%	69.1%
MBS/CMO	22.2%	6.8%	5.5%	4.7%	4.8%
Securities	0.8%	1.1%	1.0%	0.6%	0.9%
ORERC	34.8%	25.6%	23.8%	26.8%	23.8%
CFI	0.6%	0.9%	0.9%	0.9%	1.5%



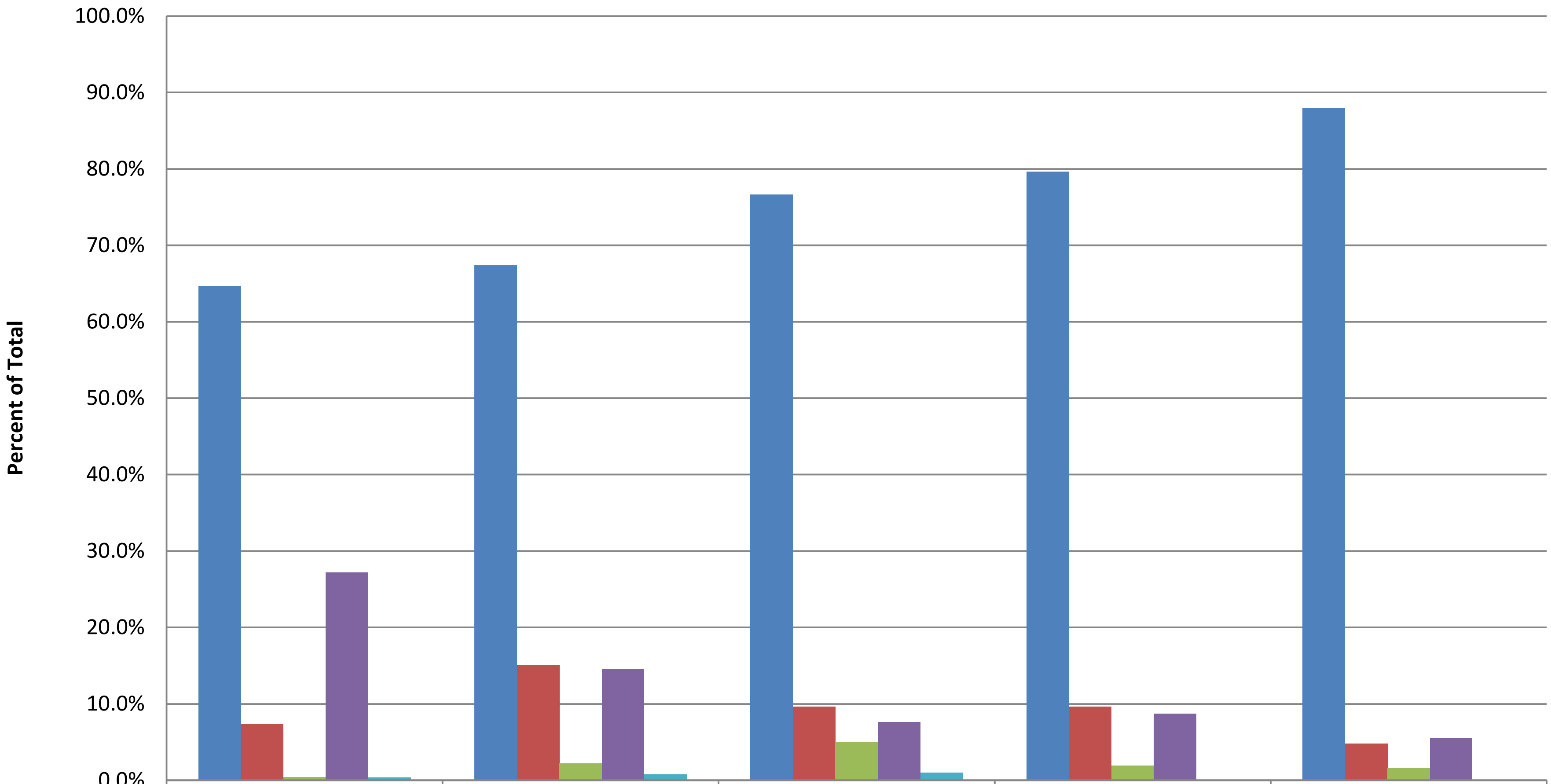
	2009	2010	2011	2012	2013
Whole Loans	55.6%	55.6%	55.4%	65.6%	58.0%
MBS/CMO	25.5%	22.6%	20.1%	15.5%	20.8%
Securities	3.6%	8.1%	11.3%	6.7%	6.4%
ORERC	6.6%	5.5%	5.4%	3.8%	5.3%
CFI	8.6%	8.2%	7.8%	8.5%	9.5%

San Francisco Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013



	2009	2010	2011	2012	2013
Whole Loans	75.6%	73.4%	58.0%	46.5%	63.4%
MBS/CMO	16.5%	12.2%	14.4%	16.3%	7.5%
Securities	0.7%	0.2%	0.2%	0.4%	0.3%
ORERC	7.2%	14.2%	27.3%	36.8%	28.8%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%

Seattle Adjusted Minimum Collateral Securing Advances
By Collateral Type
2009 - 2013



	2009	2010	2011	2012	2013
Whole Loans	64.7%	67.4%	76.7%	79.7%	87.9%
MBS/CMO	7.3%	15.0%	9.6%	9.7%	4.8%
Securities	0.4%	2.2%	5.0%	1.9%	1.6%
ORERC	27.2%	14.6%	7.6%	8.7%	5.6%
CFI	0.4%	0.8%	1.0%	0.0%	0.0%

4. Collateral Coverage by Member Asset Size

For year-end 2013, the FHLBanks reported adjusted minimum collateral securing advances by member asset size in four 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 125 percent for year-end 2013, a slight decrease from 127 percent 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.

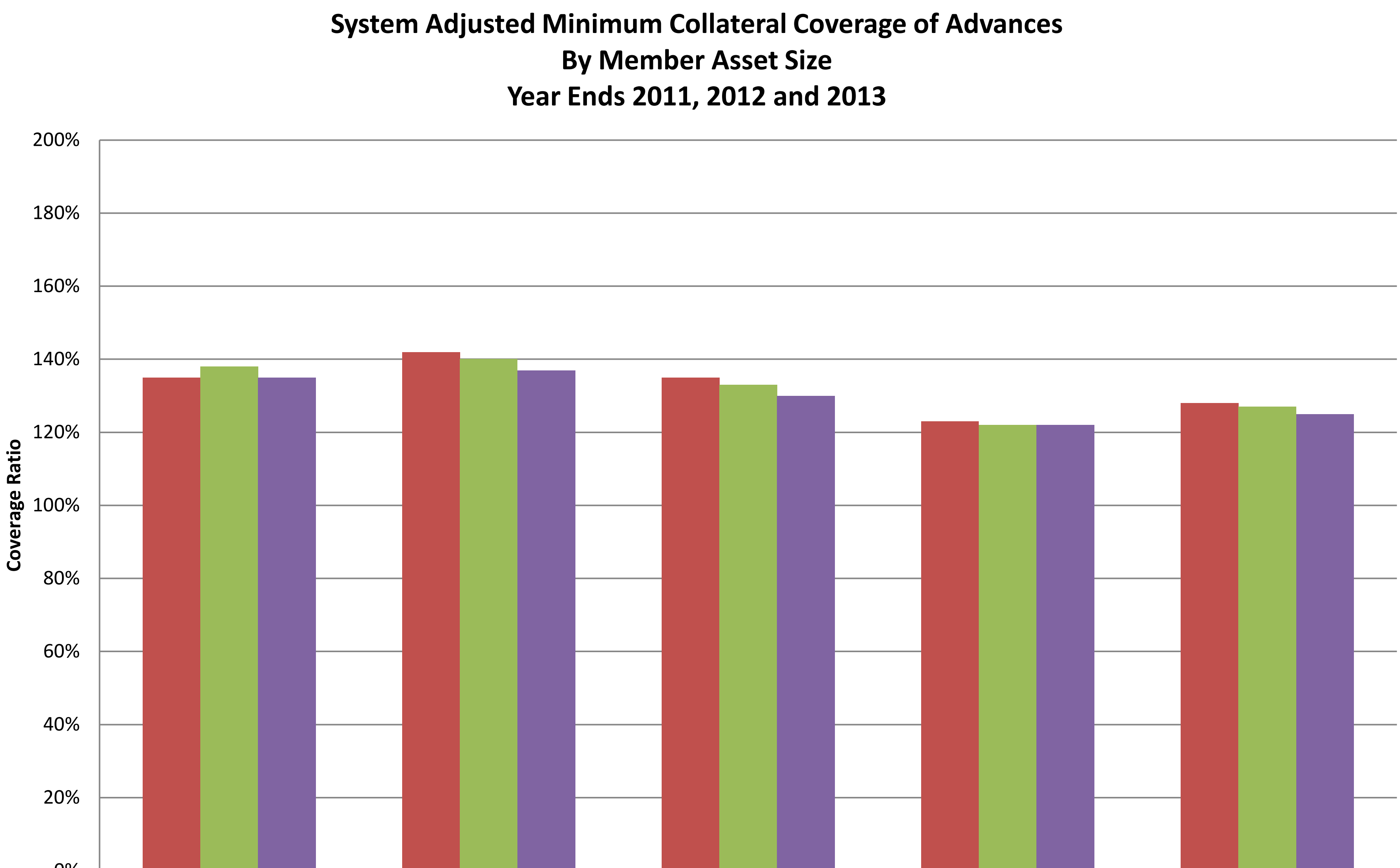
The pattern of collateral coverage ratios varied across the individual FHLBanks. The member collateral coverage ratios at the FHLBanks of Boston, Cincinnati, Des Moines, New York, Pittsburgh, and San Francisco were fairly uniform across all member size categories at year-end 2013, with differences between the highest and lowest member group ratios of only five to fifteen 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 64 percentage points. The FHLBank of Dallas also exhibited a different pattern of coverage ratios, with the 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 applying any discount the FHLBank may use to calculate the lendable value of the 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.

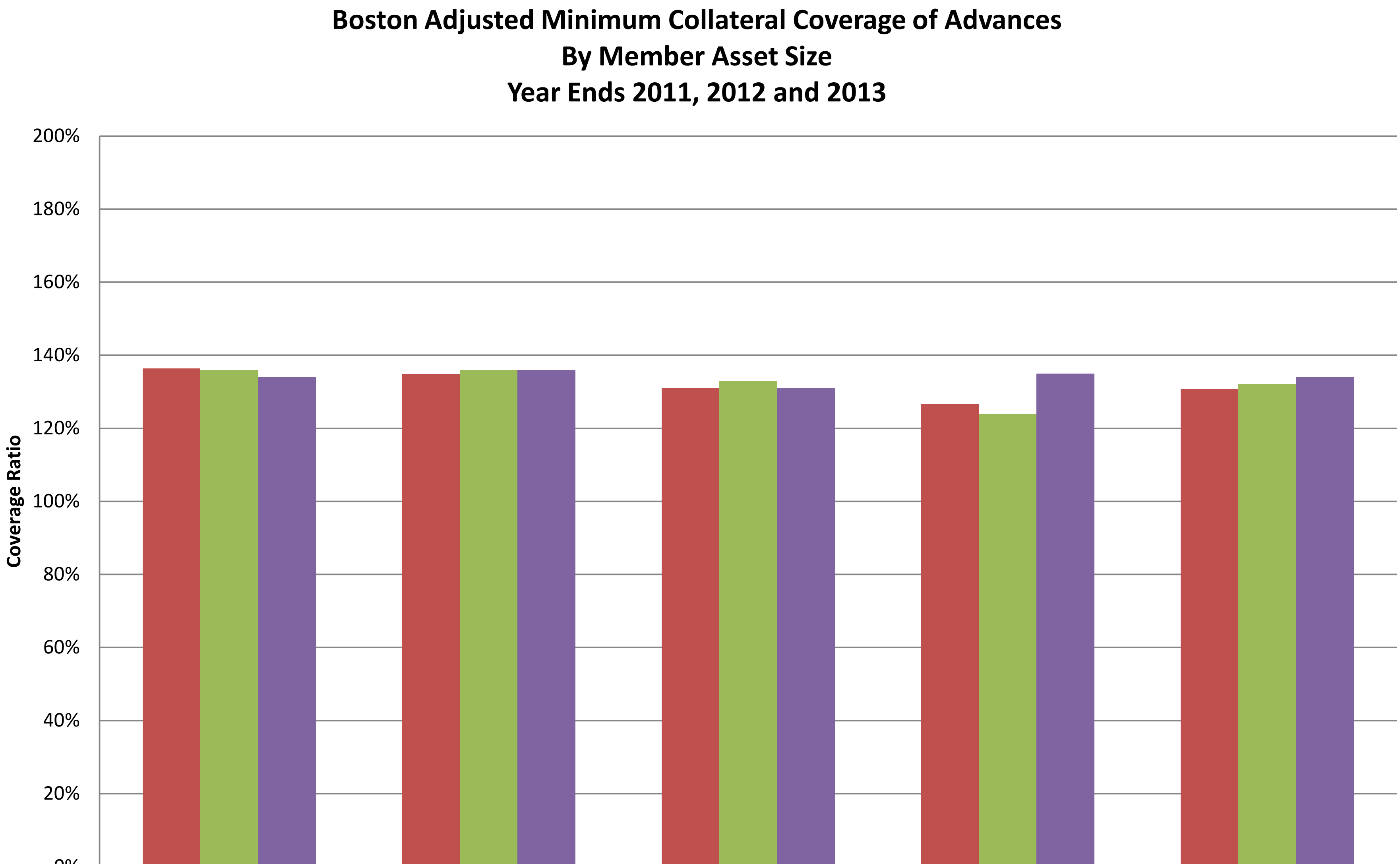
Examples of lesser of book or market value collateral reporting:

	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.

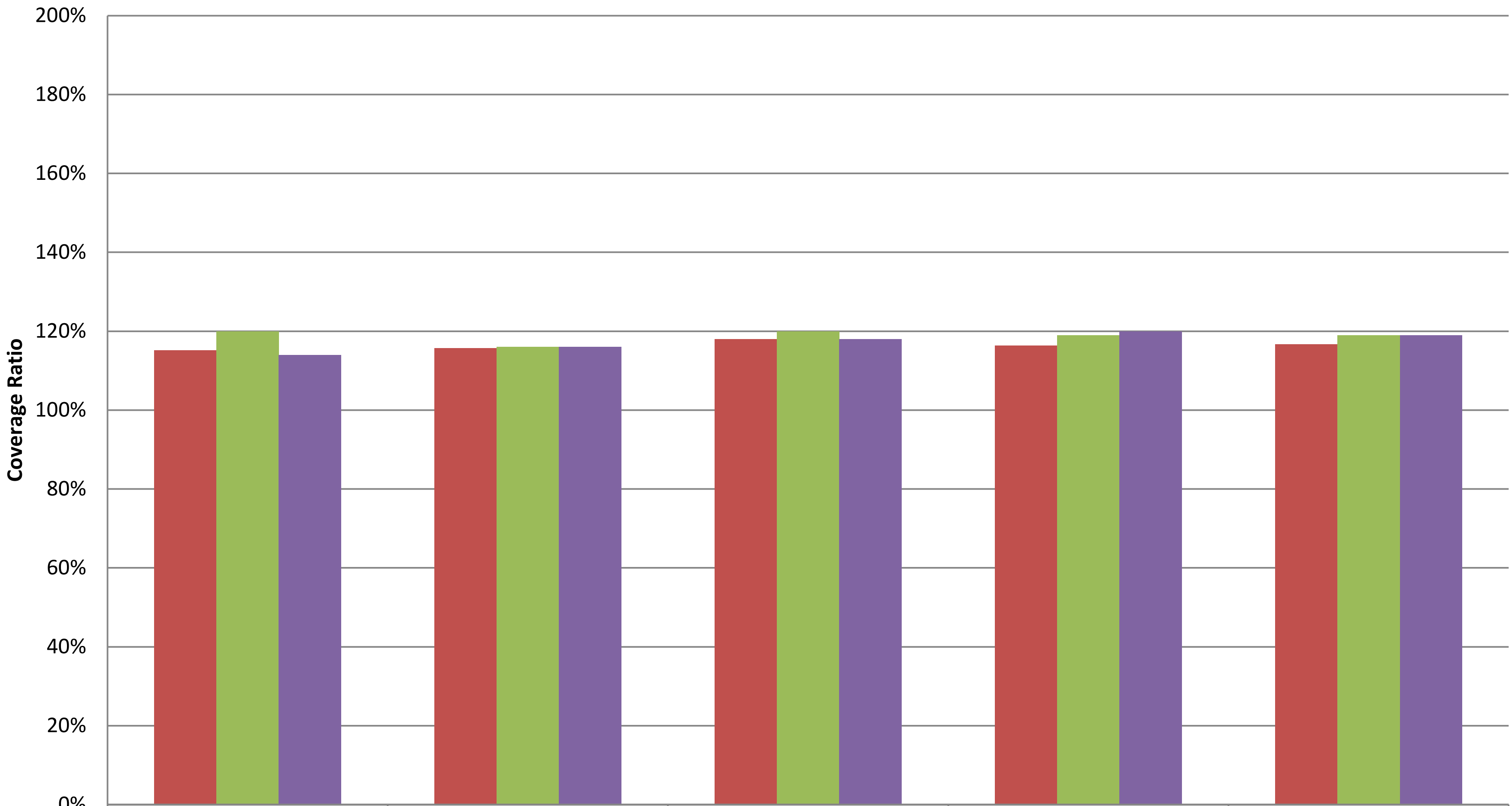


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	135%	142%	135%	123%	128%
2012	138%	140%	133%	122%	127%
2013	135%	137%	130%	122%	125%



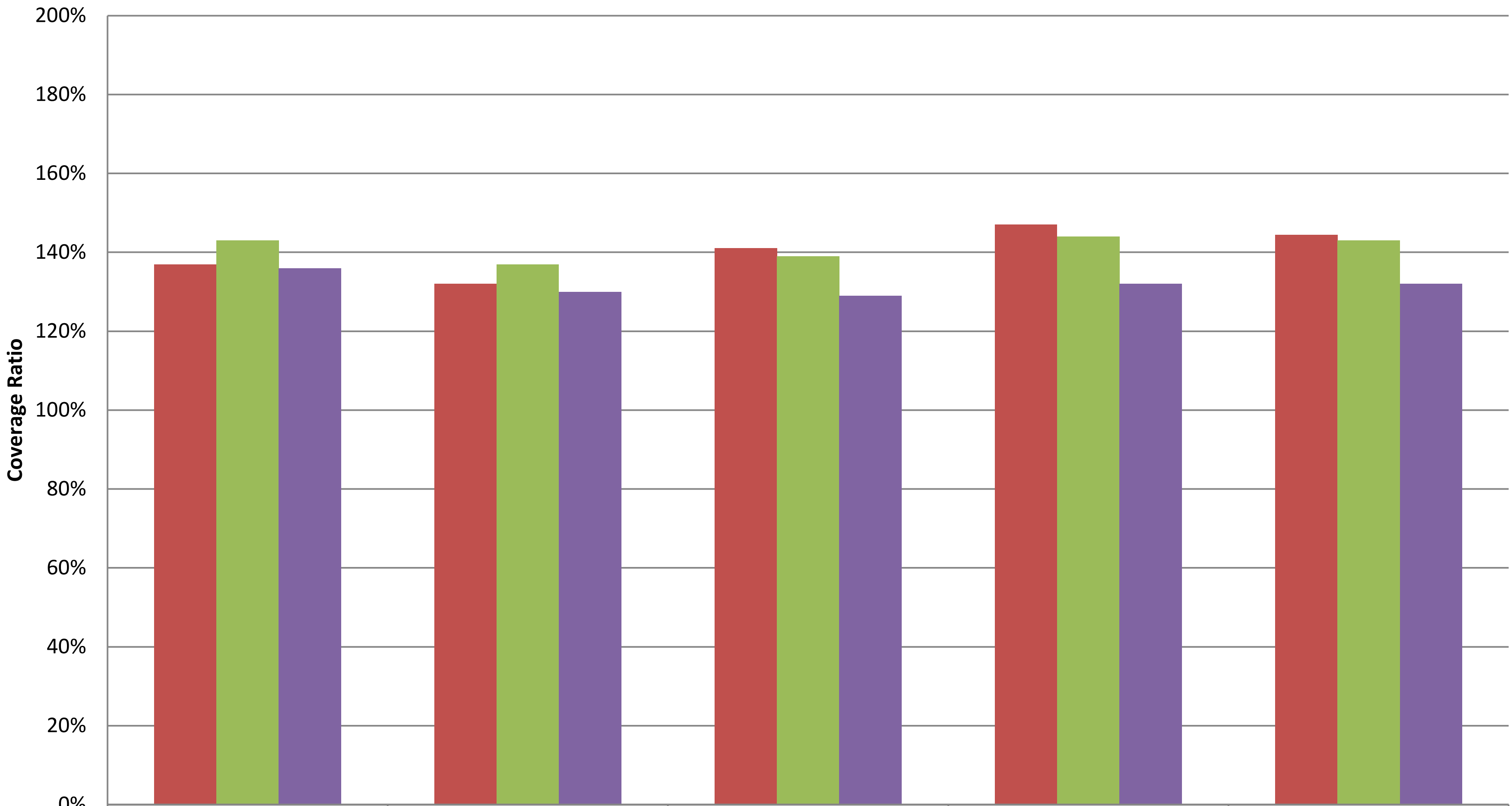
	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	136%	135%	131%	127%	131%
2012	136%	136%	133%	124%	132%
2013	134%	136%	131%	135%	134%

New York Adjusted Minimum Collateral Coverage of Advances
By Member Asset Size
Year Ends 2011, 2012 and 2013

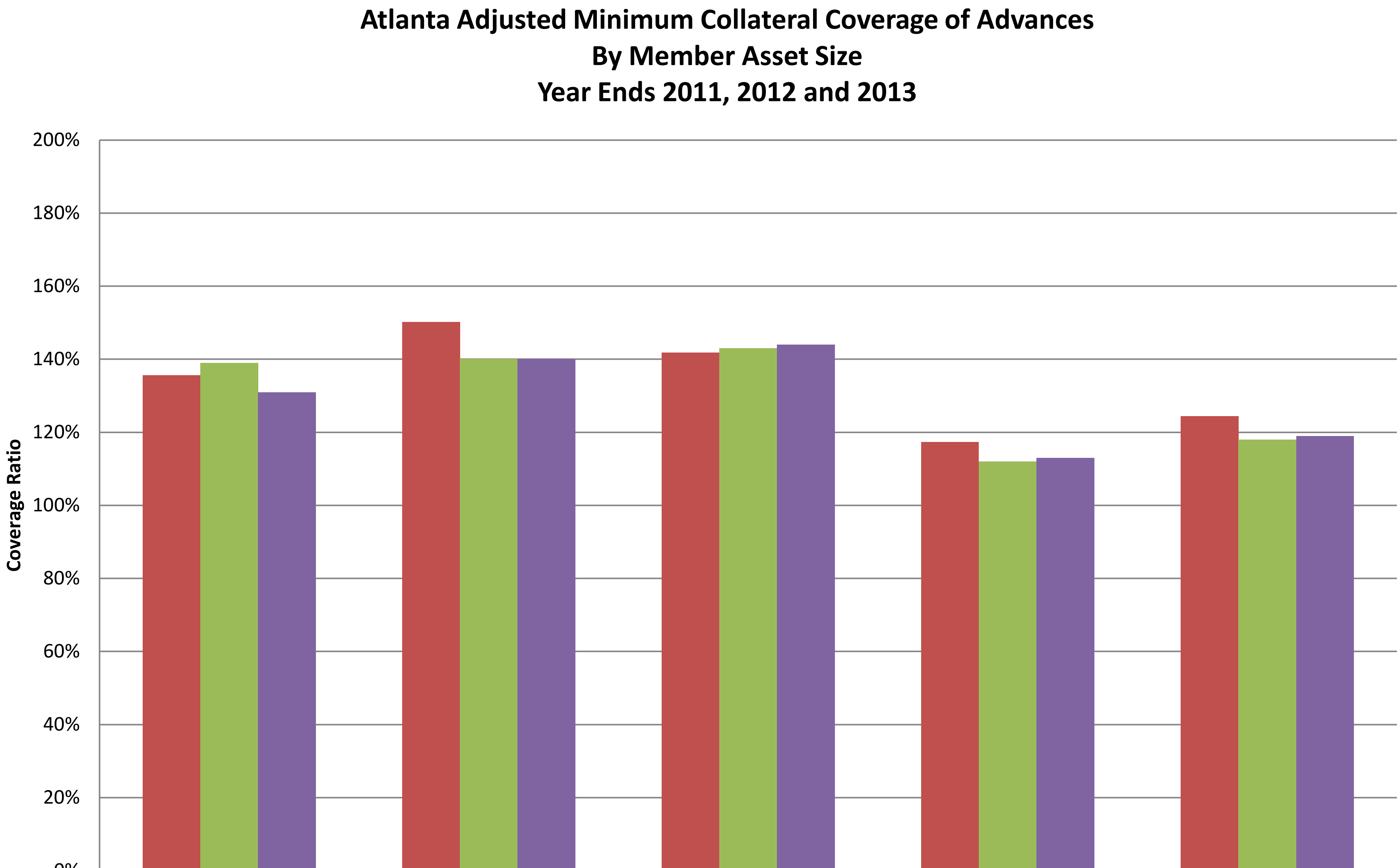


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	115%	116%	118%	116%	117%
2012	120%	116%	120%	119%	119%
2013	114%	116%	118%	120%	119%

Pittsburgh Adjusted Collateral Coverage of Advances
By Member Asset Size
Year Ends 2011, 2012 and 2013

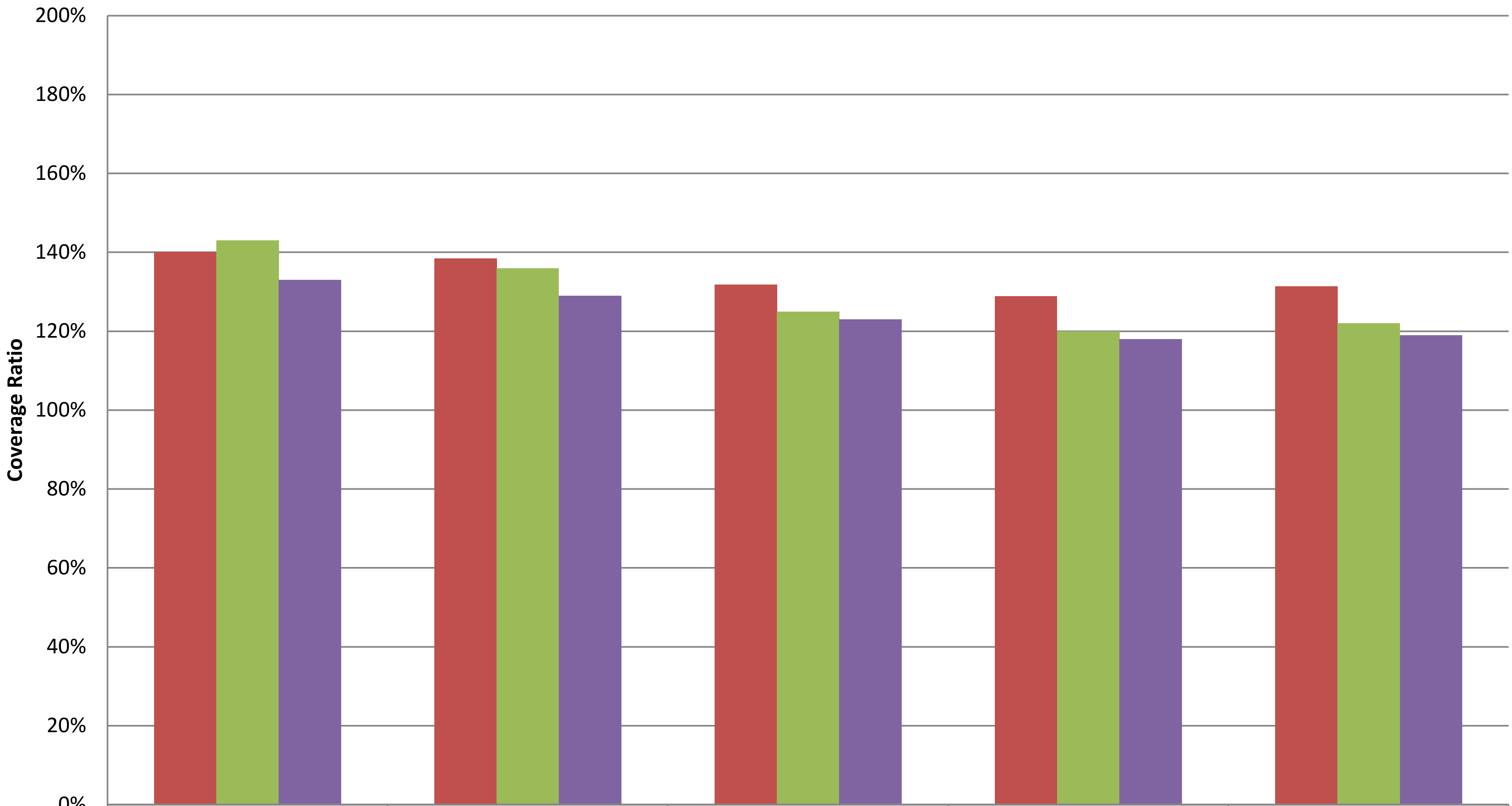


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	137%	132%	141%	147%	144%
2012	143%	137%	139%	144%	143%
2013	136%	130%	129%	132%	132%

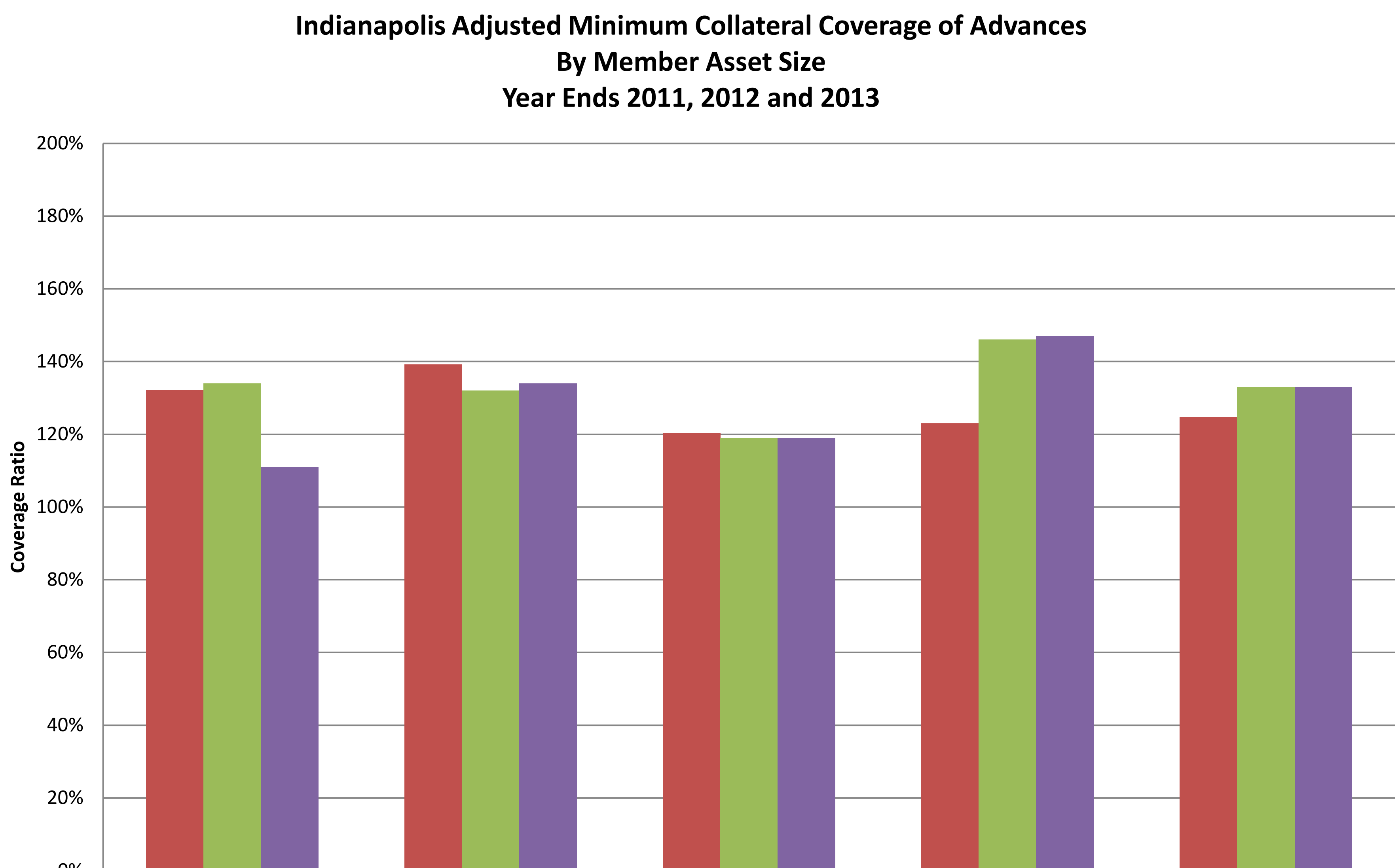


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	136%	150%	142%	117%	124%
2012	139%	140%	143%	112%	118%
2013	131%	140%	144%	113%	119%

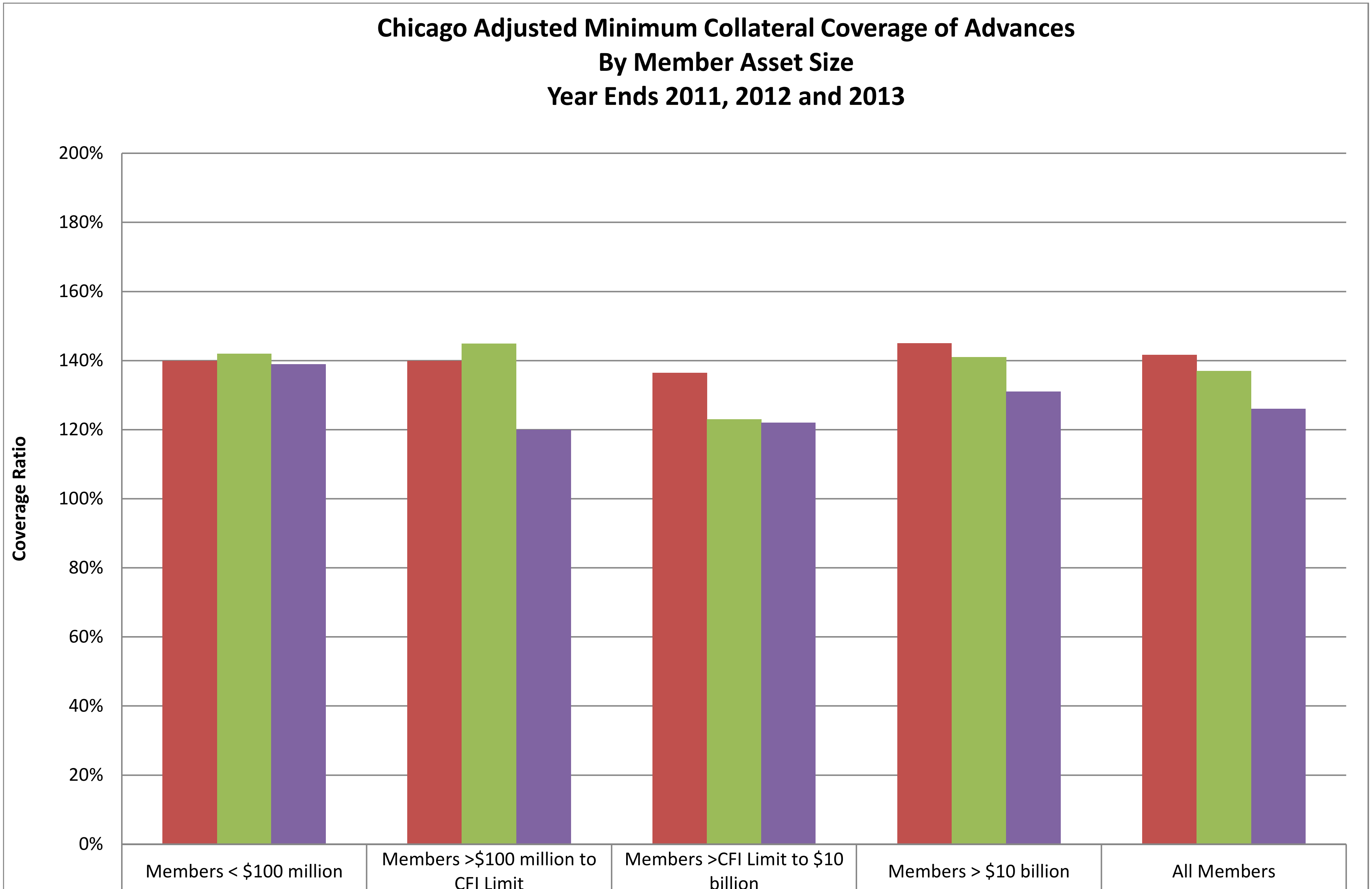
Cincinnati Adjusted Minimum Collateral Coverage of Advances
By Member Asset Size
Year Ends 2011, 2012 and 2013



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	140%	138%	132%	129%	131%
2012	143%	136%	125%	120%	122%
2013	133%	129%	123%	118%	119%

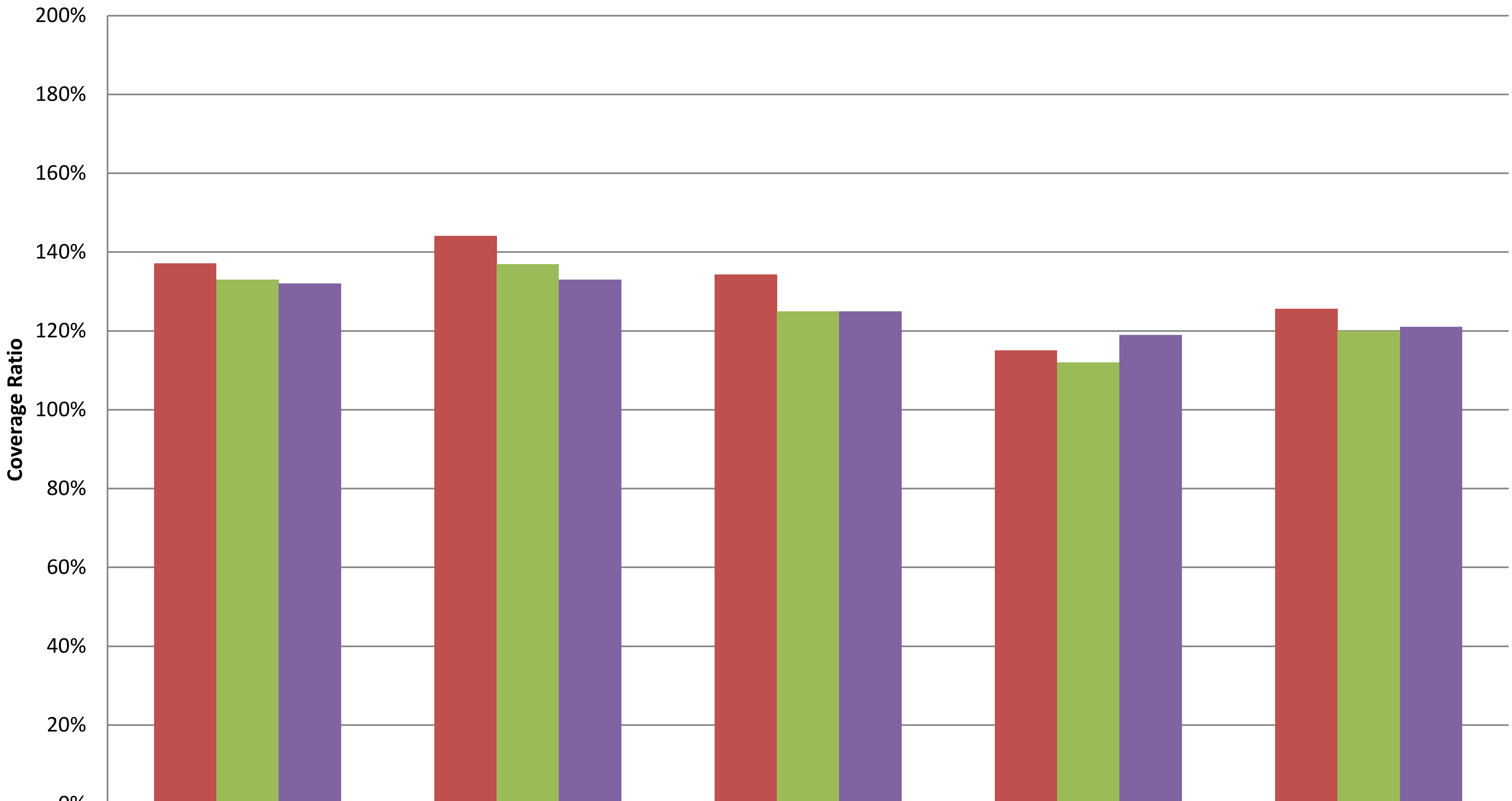


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	132%	139%	120%	123%	125%
2012	134%	132%	119%	146%	133%
2013	111%	134%	119%	147%	133%

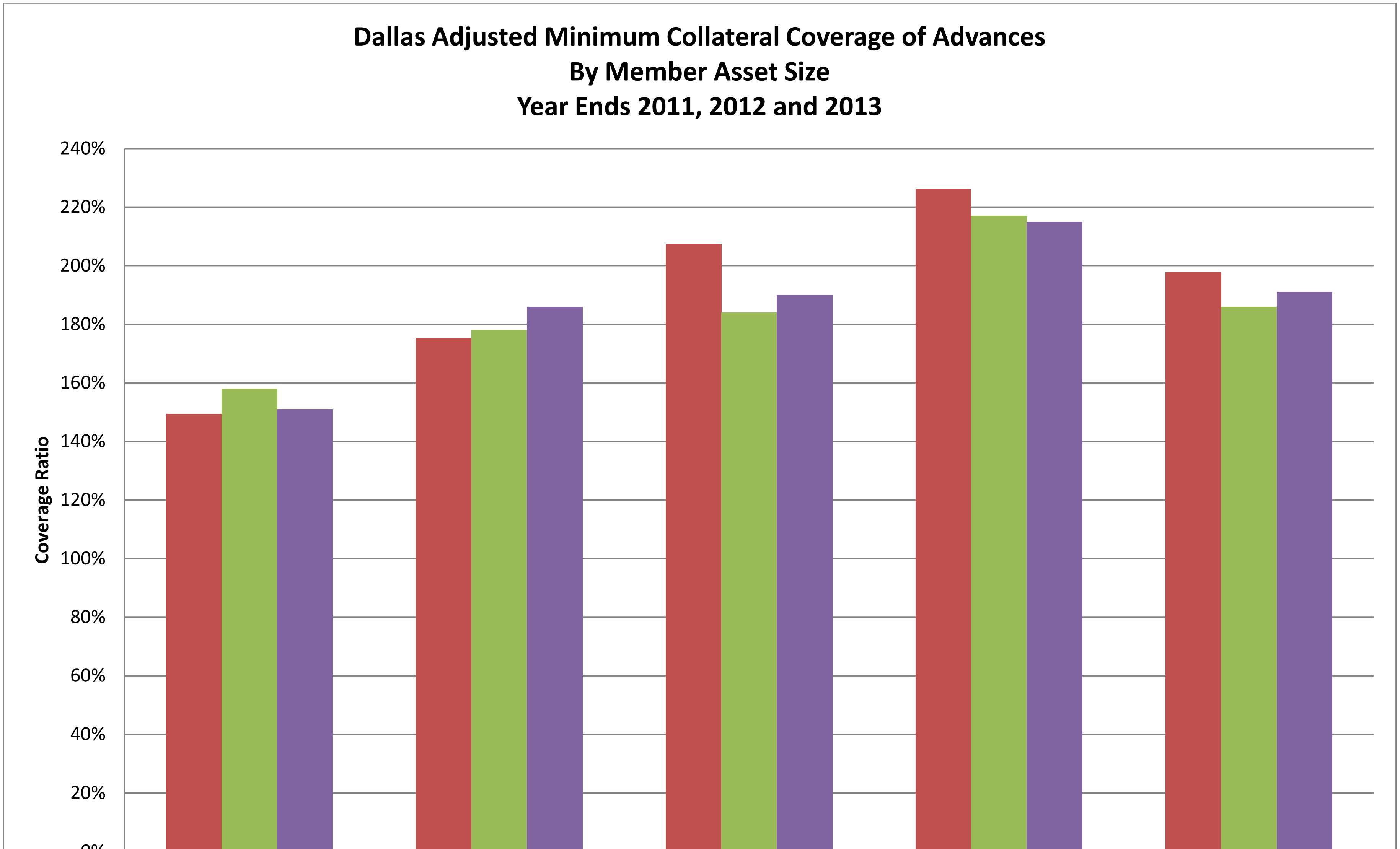


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	140%	140%	136%	145%	142%
2012	142%	145%	123%	141%	137%
2013	139%	120%	122%	131%	126%

Des Moines Adjusted Minimum Collateral Coverage of Advances
By Member Asset Size
Year Ends 2011, 2012 and 2013

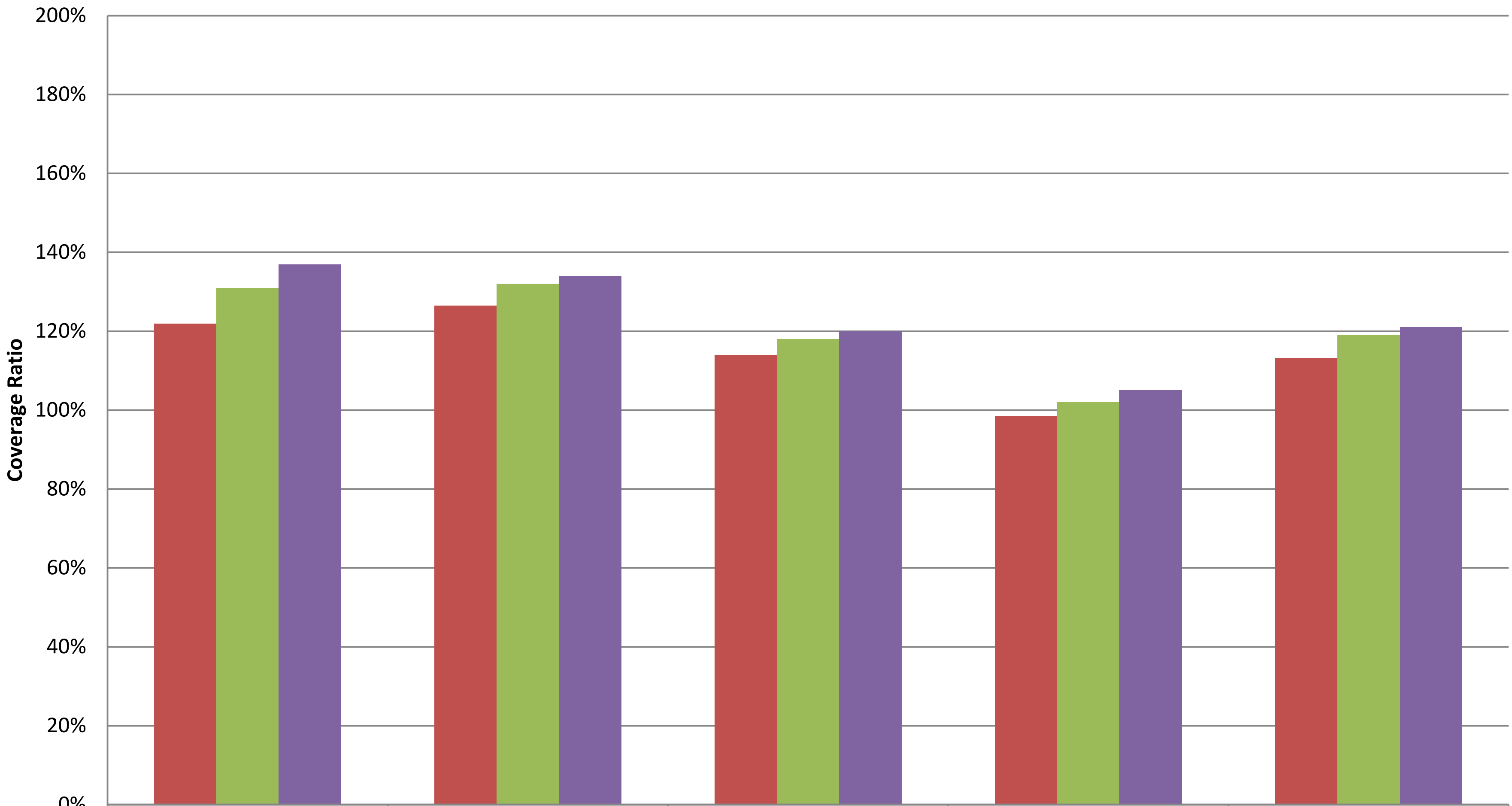


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	137%	144%	134%	115%	126%
2012	133%	137%	125%	112%	120%
2013	132%	133%	125%	119%	121%

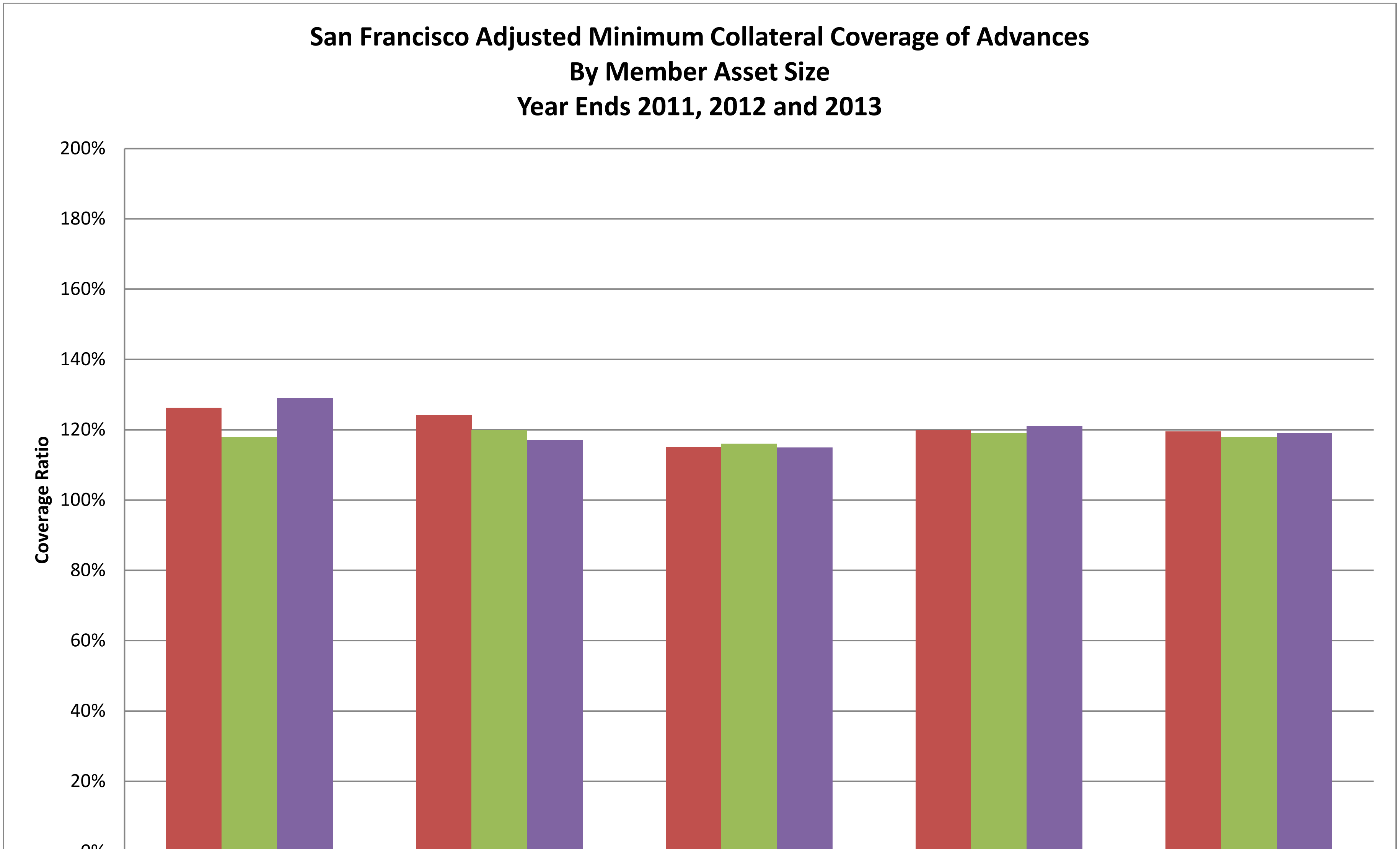


	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	149%	175%	207%	226%	198%
2012	158%	178%	184%	217%	186%
2013	151%	186%	190%	215%	191%

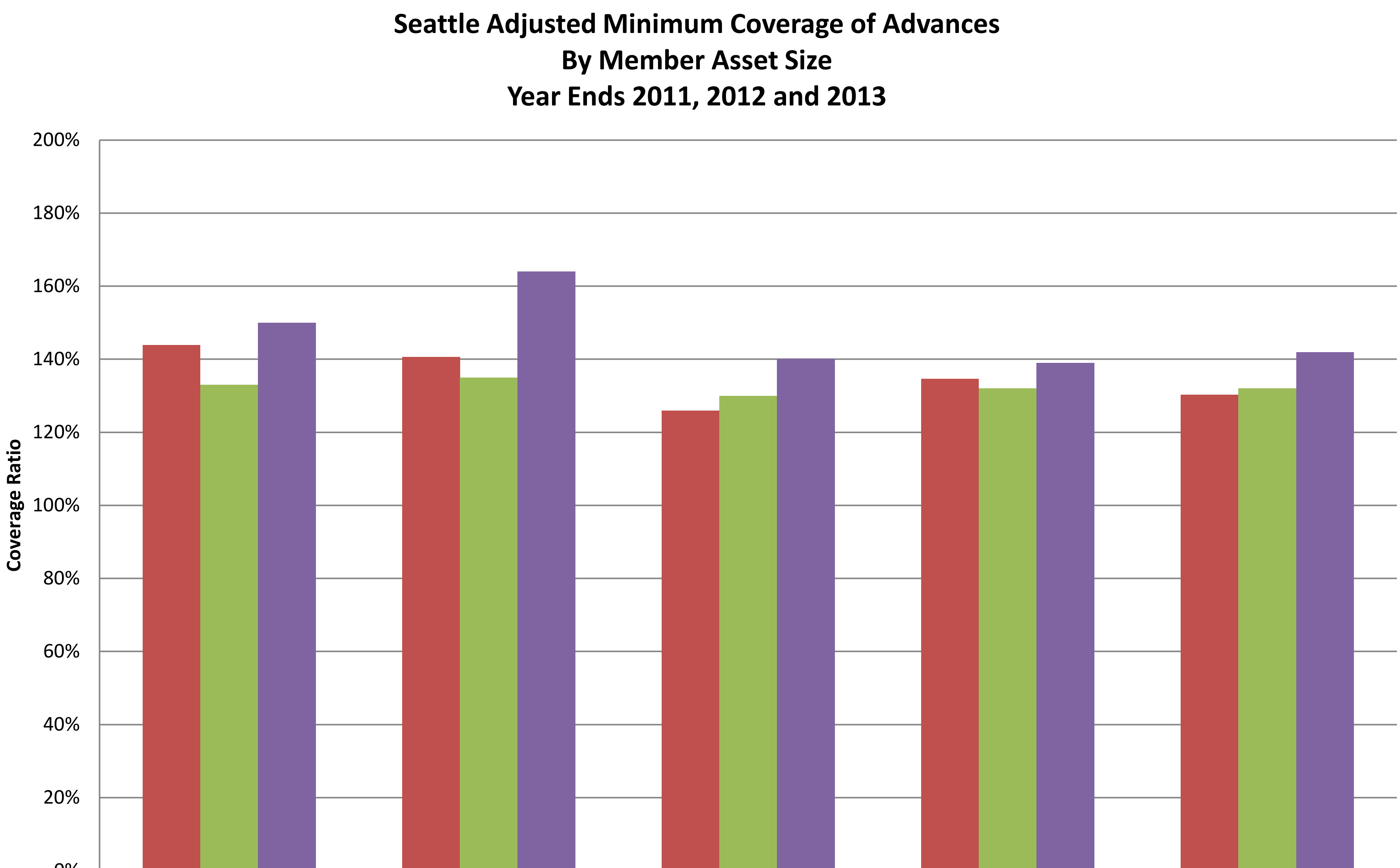
Topeka Adjusted Minimum Collateral Coverage of Advances
By Asset Size
Year Ends 2011, 2012 and 2013



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	122%	126%	114%	99%	113%
2012	131%	132%	118%	102%	119%
2013	137%	134%	120%	105%	121%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	126%	124%	115%	120%	120%
2012	118%	120%	116%	119%	118%
2013	129%	117%	115%	121%	119%



	Members < $100 million	Members >$100 million to CFI Limit	Members >CFI Limit to $10 billion	Members > $10 billion	All Members
2011	144%	141%	126%	135%	130%
2012	133%	135%	130%	132%	132%
2013	150%	164%	140%	139%	142%

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 various securities (commercial mortgage, home equity and other securities) and home equity lines of credit. Five FHLBanks (Atlanta, Cincinnati, Dallas, Indianapolis, and Topeka) 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 specific detail about various types of commercial property loans and this information is also not currently 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, 2011, 2012 and 2013.

Collateral Securing Advances - ORERC

Table 5.1

Adjusted Minimum Collateral
As of December 31, 2013
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$1,928	$2,020	$3,855	$5,667	$928	$4,574	$250	$7,034	$6,017	$391	$3,275	$485	$36,423
Office	$741	$531	$0	-	-	-	$0	$2,294	-	-	$353	$13	$3,932
Retail	$610	$603	$0	-	-	-	$0	$1,903	-	-	$522	$8	$3,645
Industrial	$188	$29	$0	-	-	-	$0	$1,072	-	-	$222	$13	$1,525
Lodging	$46	$103	$0	-	-	-	$0	$12	-	-	$327	$2	$490
Mixed Use	$343	$753	$0	-	-	-	$0	$30	-	-	$104	$11	$1,241
Other - No Detail Available	$0	$0	$3,855	$5,667	$928	$4,574	$250	$1,723	$6,017	$391	$1,747	$439	$25,591
2. Commercial 2nd Mortgages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6	$7
3. Residential Second Mortgage Loans	$0	$0	$199	$0	$1	$1	$53	$63	$174	$28	$176	$0	$695
4. Home Equity Lines of Credit	$0	$64	$732	$7,673	$16	$0	$831	$135	$0	$0	$8,605	$9	$18,066
5. Construction Loans	$0	$0	$0	$0	$0	$0	$0	$0	$192	$9	$0	$0	$201
Residential Construction (Single Family)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$0	$0	$7
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$0	$0	$2
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$192	$0	$0	$0	$192
6. Securities	$0	$3,083	$1,295	$178	$4,197	$3,561	$2,945	$3,423	$419	$380	$83	$359	$19,921
CMBS	$0	$3,083	$1,295	$177	$4,197	$3,544	$1,275	$3,423	$3	$308	$83	$105	$17,491
HELOC Securities	$0	$0	$0	$1	$0	$17	$0	$0	$400	$0	$0	$0	$418
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	$1,670	$0	$16	$72	$0	$254	$2,012
7. Land Loans	$0	$0	$0	$0	$54	$0	$0	$852	$356	$271	$0	$0	$1,532
Farm Real Estate (Non-CFI)	$0	$0	$0	$0	$54	$0	$0	$852	$0	$271	$0	$0	$1,176
Other Land Loans (Land Development)	$0	$0	$0	$0	$0	$0	$0	$0	$356	$0	$0	$0	$356
8. Other	$0	$1	$0	$0	$0	$0	$0	$26	$0	$31	$3,021	$0	$3,079
Participated loans	$0	$1	$0	$0	$0	$0	$0	$26	$0	$20	$1	$0	$48
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11	$0	$0	$11
Reverse Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loans Covered by Loss Sharing Agreement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,020	$0	$3,020
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	$1,928	$5,168	$6,080	$13,518	$5,195	$8,136	$4,079	$11,533	$7,158	$1,110	$15,160	$859	$79,923

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.2

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 5.3

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 5.4

Total Collateral
As of December 31, 2013
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$7,384	$26,695	$64,651	$43,351	$27,487	$9,455	$4,622	$24,641	$46,490	$9,907	$42,717	$11,190	$318,590
Office	$2,130	$6,153	$0	-	-	-	$83	$3,142	-	-	$4,800	$779	$17,087
Retail	$2,025	$7,558	$0	-	-	-	$174	$2,676	-	-	$4,935	$586	$17,954
Industrial	$738	$1,705	$0	-	-	-	$92	$1,339	-	-	$3,607	$339	$7,820
Lodging	$446	$1,196	$0	-	-	-	$28	$20	-	-	$1,879	$123	$3,692
Mixed Use	$1,190	$10,082	$0	-	-	-	$12	$40	-	-	$2,213	$155	$13,692
Other - No Detail Available	$855	$0	$64,651	$43,351	$27,487	$9,455	$4,233	$17,424	$46,490	$9,907	$25,283	$9,209	$258,345
2. Commercial 2nd Mortgages	$0	$127	$0	$0	$0	$0	$0	$0	$0	$0	$0	$95	$221
3. Residential Second Mortgage Loans	$650	$38	$5,700	$0	$1,435	$254	$1,194	$1,513	$1,217	$1,642	$3,149	$47	$16,838
4. Home Equity Lines of Credit	$12,227	$8,768	$32,068	$34,418	$18,987	$1,095	$6,478	$1,774	$0	$0	$20,234	$2,404	$138,453
5. Construction Loans	$0	$0	$0	$0	$0	$0	$0	$16	$3,878	$899	$0	$0	$4,793
Residential Construction (Single Family)	$0	$0	$0	$0	$0	$0	$0	$16	$0	$610	$0	$0	$626
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$288	$0	$0	$288
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$3,878	$0	$0	$0	$3,878
6. Securities	$0	$3,877	$3,381	$227	$4,657	$3,646	$4,457	$4,022	$553	$433	$83	$416	$25,753
CMBS	$0	$3,877	$3,381	$226	$4,657	$3,629	$2,587	$4,022	$62	$326	$83	$160	$23,009
HELOC Securities	$0	$0	$0	$1	$0	$17	$0	$0	$407	$0	$0	$0	$425
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	$1,871	$0	$84	$107	$0	$256	$2,318
7. Land Loans	$0	$0	$1,997	$0	$273	$0	$0	$7,279	$11,537	$797	$0	$0	$21,883
Farm Real Estate (Non-CFI)	$0	$0	$1,997	$0	$273	$0	$0	$7,279	$0	$797	$0	$0	$10,345
Other Land Loans (Land Development)	$0	$0	$0	$0	$0	$0	$0	$0	$11,537	$0	$0	$0	$11,537
8. Other	$0	$245	$0	$0	$0	$0	$0	$667	$0	$411	$3,344	$0	$4,667
Participated loans	$0	$217	$0	$0	$0	$0	$0	$667	$0	$22	$285	$0	$1,190
Other (Multi-family 2nds)	$0	$28	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$28
Reverse Mortgage Loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loans Covered by Loss Sharing Agreement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,059	$0	$3,059
Guaranteed portions of FSA & SBA loans	$0	$0	$0	$0	$0	$0	$0	$0	$0	$390	$0	$0	$390
Warehouse and Jr Liens deducted from Single-family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$20,260	$39,750	$107,797	$77,996	$52,839	$14,450	$16,751	$39,911	$63,675	$14,088	$69,527	$14,152	$531,196

* Some totals may not add due to rounding

Collateral Securing Advances - ORERC

Table 5.5

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-fan	$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 5.6

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

6. Community Financial Institution Collateral

The FHLBanks are authorized to accept from CFI members and their affiliates 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 $1.1 billion at year-end 2013 up from $973 million at year-end 2011, a new high for the FHLBank from the 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 2013. The graphs illustrate CFI collateral and associated advances at year-ends 2011, 2012 and 2013.

The Collateral Data Survey also collects the total amounts of CFI collateral pledged by CFI members to their respective FHLBanks. At year-end 2013, the FHLBank of Topeka again led the System with $13.2 billion pledged by CFI members to the FHLBank. The FHLBank of Dallas was second with $10.4 billion pledged by CFI members. Only the FHLBanks of New York and Atlanta report no CFI collateral pledged for year-end 2013.

Table 6.1

2013 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	53	1	185	0	263	1,075	0	0	1,576
Small Agri-business Loans	0	0	0	0	0	0	25	28	0	229	0	3	285
Small Business Loans	0	0	0	0	58	0	118	40	191	677	0	0	1,085
Community Development Loans/Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CFI Collateral	0	0	0	0	111	1	328	68	454	1,981	0	3	2,946

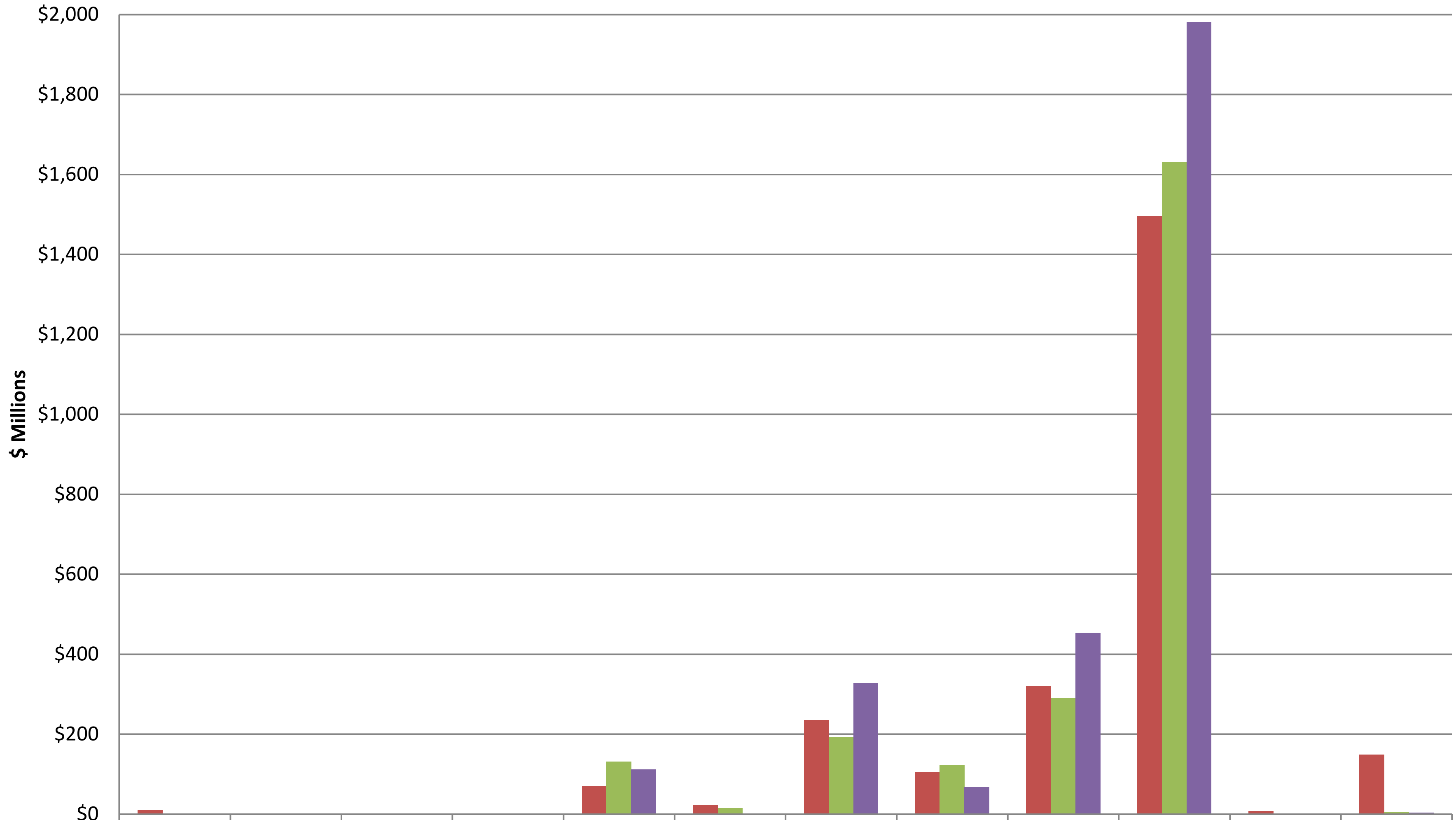
Total CFI Advances	$0	$0	$0	$0	$98	$0	$177	$47	$146	$1,115	$0	$2	$1,585

CFI Pledged

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
Small Farm Loans	$0	$0	$0	$0	$290	$143	$1,197	$0	$5,488	$3,761	$212	$124	$11,214
Small Agri-business Loans	$0	$0	$0	$0	$0	$0	$435	$1,609	$0	$2,533	$115	$142	$4,833
Small Business Loans	$6	$0	$2,707	$0	$0	$27	$2,660	$1,729	$4,881	$6,878	$2,612	$270	$21,769
Community Development Loans/Securities	0	0	0	0	111	0	0	0	0	0	0	0	111
Total Pledged CFI Collateral	$6	$0	$2,707	$0	$402	$169	$4,291	$3,338	$10,369	$13,172	$2,939	$536	$37,928

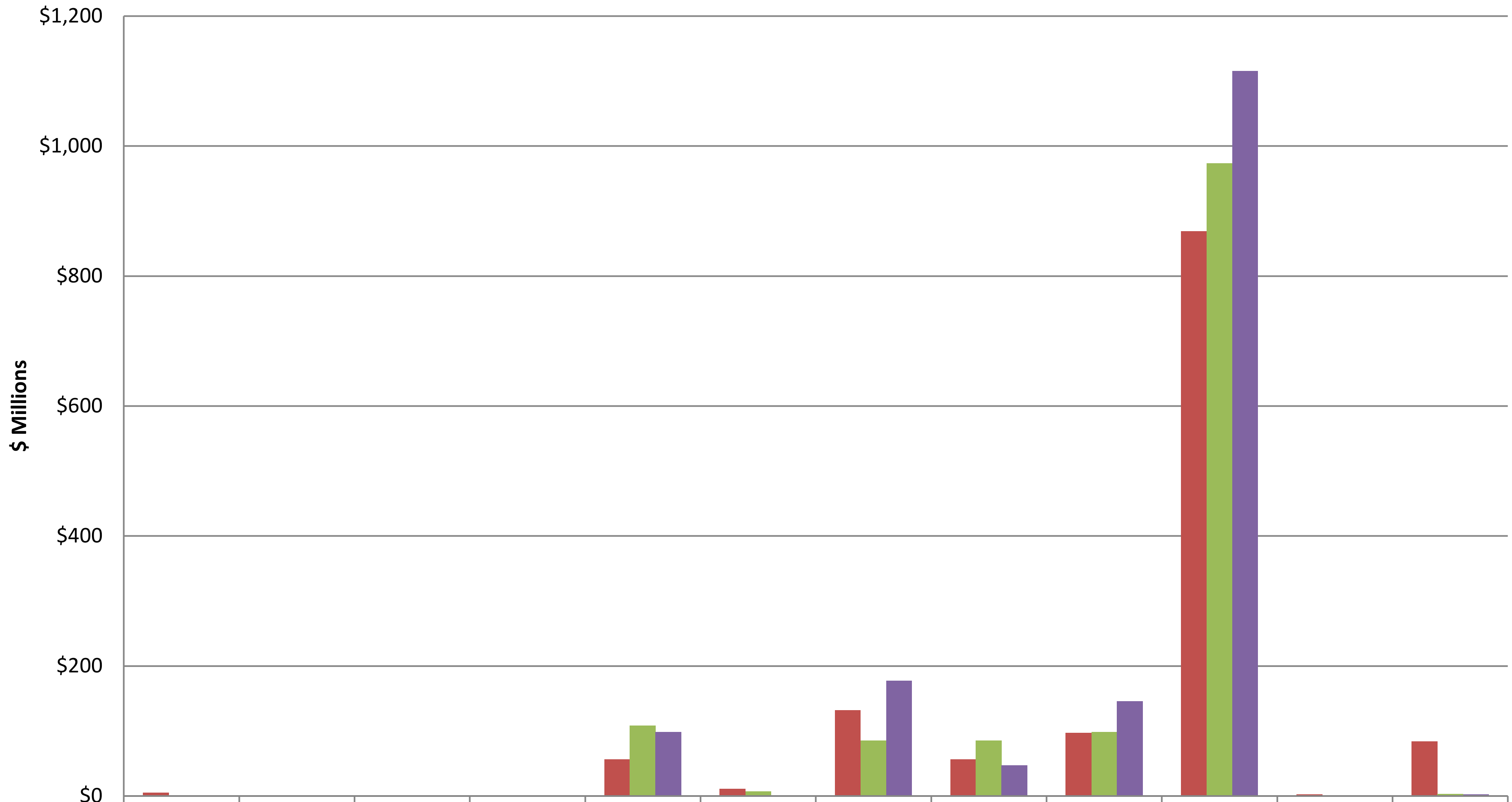
*Some totals may not add due to rounding

CFI Collateral Securing Advances
Year Ends 2011, 2012 and 2013



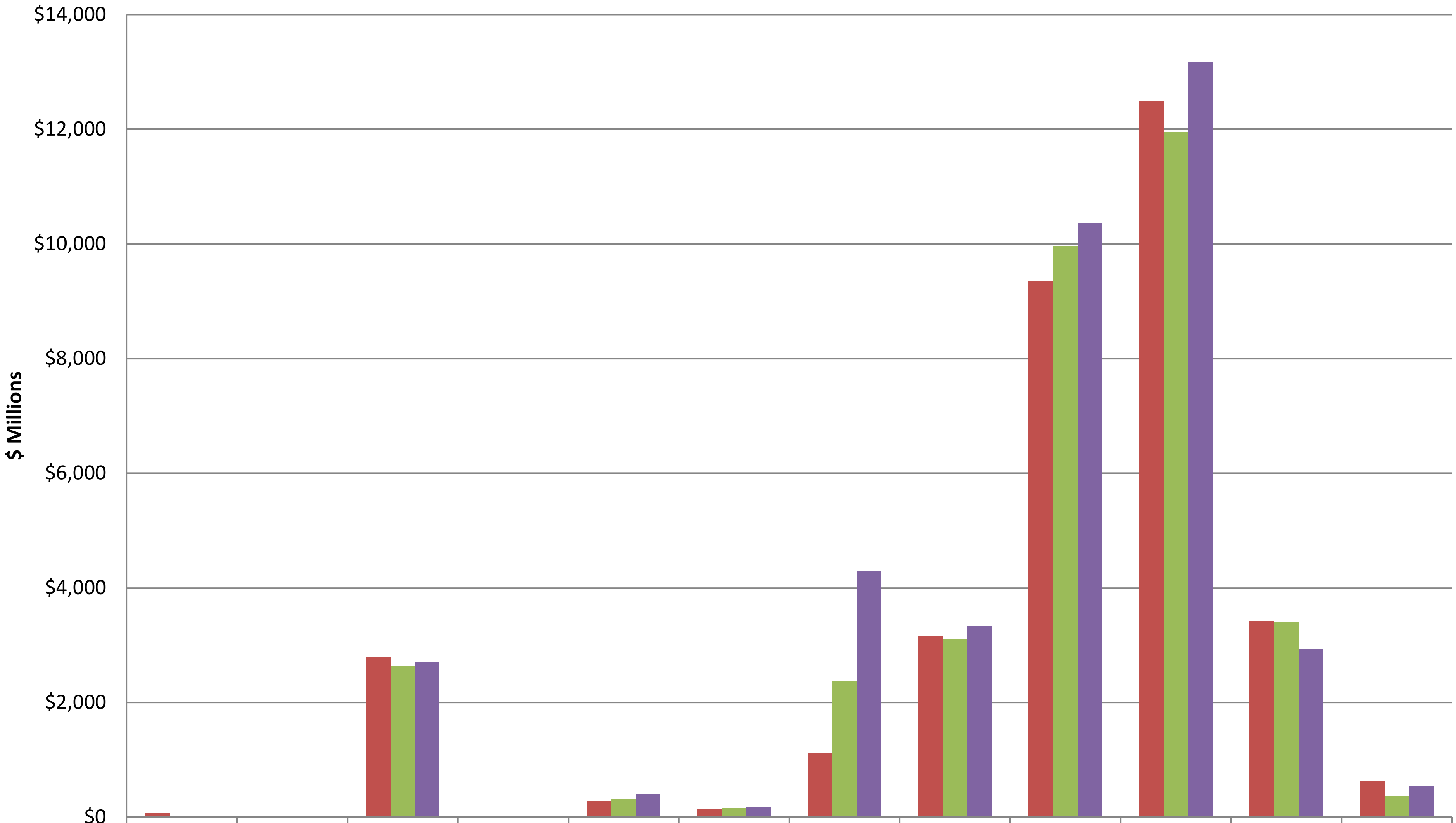
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2011	$10	$0	$0	$0	$70	$22	$235	$105	$320	$1,496	$7	$149
2012	$0	$0	$0	$0	$132	$15	$192	$123	$291	$1,631	$1	$5
2013	$0	$0	$0	$0	$111	$1	$328	$68	$454	$1,981	$0	$3

CFI Suported Advances
Year End 2011, 2012 and 2013



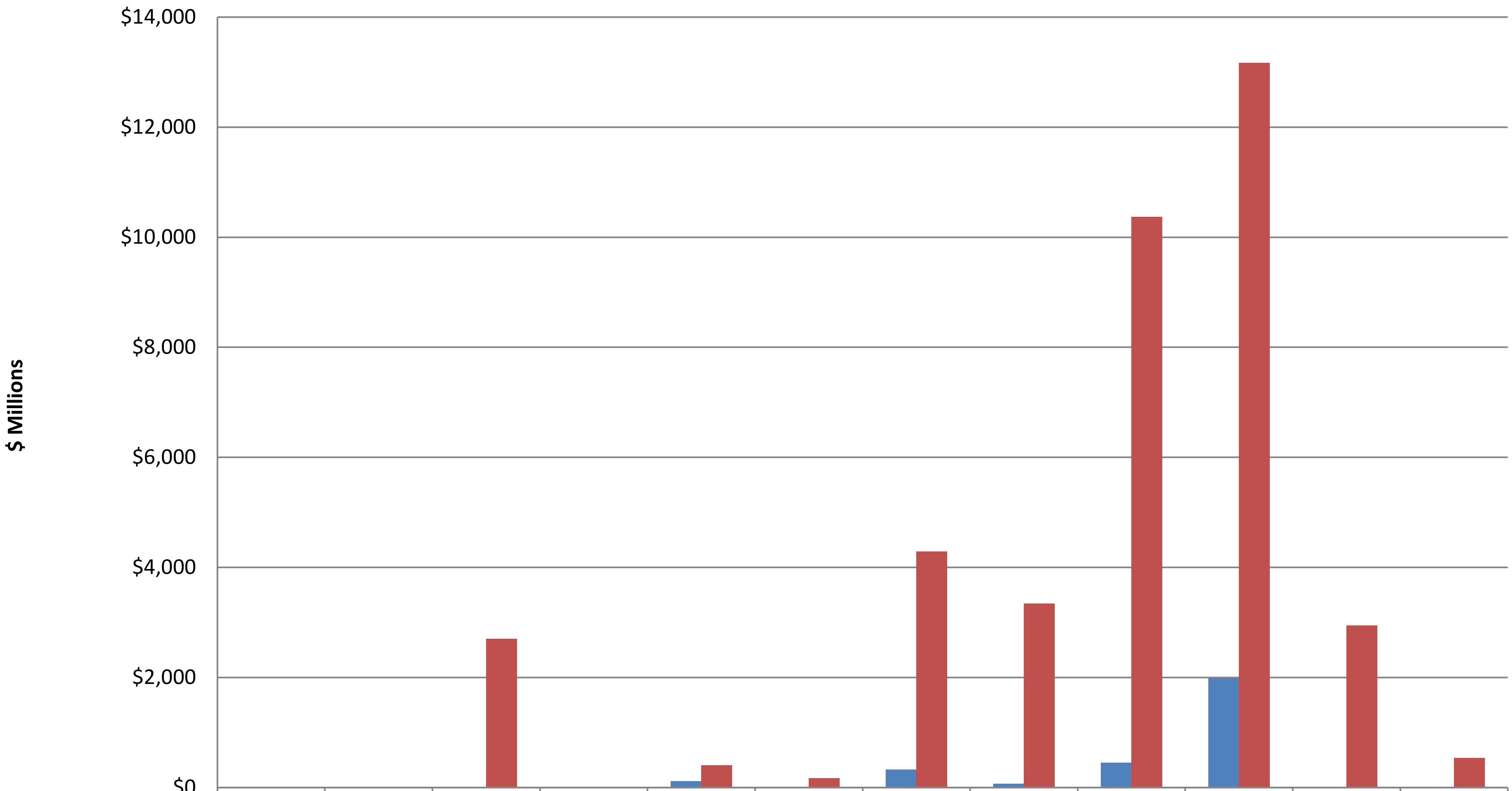
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2011	$5	$0	$0	$0	$56	$11	$132	$56	$97	$869	$2	$84
2012	$0	$0	$0	$0	$108	$7	$85	$85	$98	$973	$1	$3
2013	$0	$0	$0	$0	$98	$0	$177	$47	$146	$1,115	$0	$2

Total CFI Collateral Pledged
Year Ends 2011, 2013 and 2013



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	$6	$0	$2,707	$0	$402	$169	$4,291	$3,338	$10,369	$13,172	$2,939	$536

CFI Collateral Securing Advances Compared to Total CFI Collateral Pledged Year End 2013



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
Adjusted Minimum	$0	$0	$0	$0	$111	$1	$328	$68	$454	$1,981	$0	$3
Total Pledged	$6	$0	$2,707	$0	$402	$169	$4,291	$3,338	$10,369	$13,172	$2,939	$536

7. Insurance Company and Credit Union Collateral

Insurance Companies

Insurance company membership is steadily increasing throughout the System. During 2013, the number of insurance company members rose to 302, an increase of 26 insurance company members from year-end 2012. By comparison, total membership in the System declined by 130 members during 2013. Advances outstanding to insurance company members increased during 2013 from $52 to $59 billion. Insurance company member advances accounted for nearly 12 percent of total advances at year-end 2013, unchanged from year-end 2012. Only the FHLBank of Seattle reported no advances outstanding to an insurance company member.

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. U.S. Agency mortgage securities represent 39 percent of the collateral securing advances to insurance company members. Other securities plus deposits account for an additional 19 percent of the collateral securing advances to insurance company members. Because they are highly liquid, the lendable collateral value of securities tends to be higher than other types of collateral. Because the risks in lending to insurance companies differ in certain respects from the risks associated with lending to federally-insured depository institutions, the FHLBanks generally require the delivery of collateral from insurance companies. Insurance companies are not federally insured as are most 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 better protect their lien status. In addition, each insurance company member is under individual state regulation and 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 2013:

Insurance Company Collateral		
Collateral Type	**Percentage of Collateral 2012**	**Percentage of Collateral 2013**
PLS MBS/CMO	1	1
U.S Agency MBS/CMO	39	39
ORERC	35	37
Whole loans	3	5
Securities/deposits	21	19

*Totals may not sum to 100 percent due to rounding.

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 FHLBank of San Francisco appears short of collateral with 99 percent collateral coverage for insurance company members at year-end 2013, because members are pledging securities where the market value is above book and the FHLBank's lending value is based upon the market value. Daily and weekly pricing of the collateral pledged in addition to excess collateral amounts pledged by insurance company members assist in protecting the FHLBanks.

Credit Unions

All FHLBanks report advances outstanding to credit union members. Credit union borrowings increased from $25.2 billion at year-end 2011 to $27 billion at year-end 2013, an increase of 8 percent. While credit union membership at the FHLBanks increased by 38 to 1,216 at year-end 2013, most credit union members tend to be of small to moderate asset size.

Whole mortgage loan collateral represents 81 percent of the collateral securing advances to credit unions. The FHLBanks generally discount whole mortgage loan collateral more than MBS/CMOs.

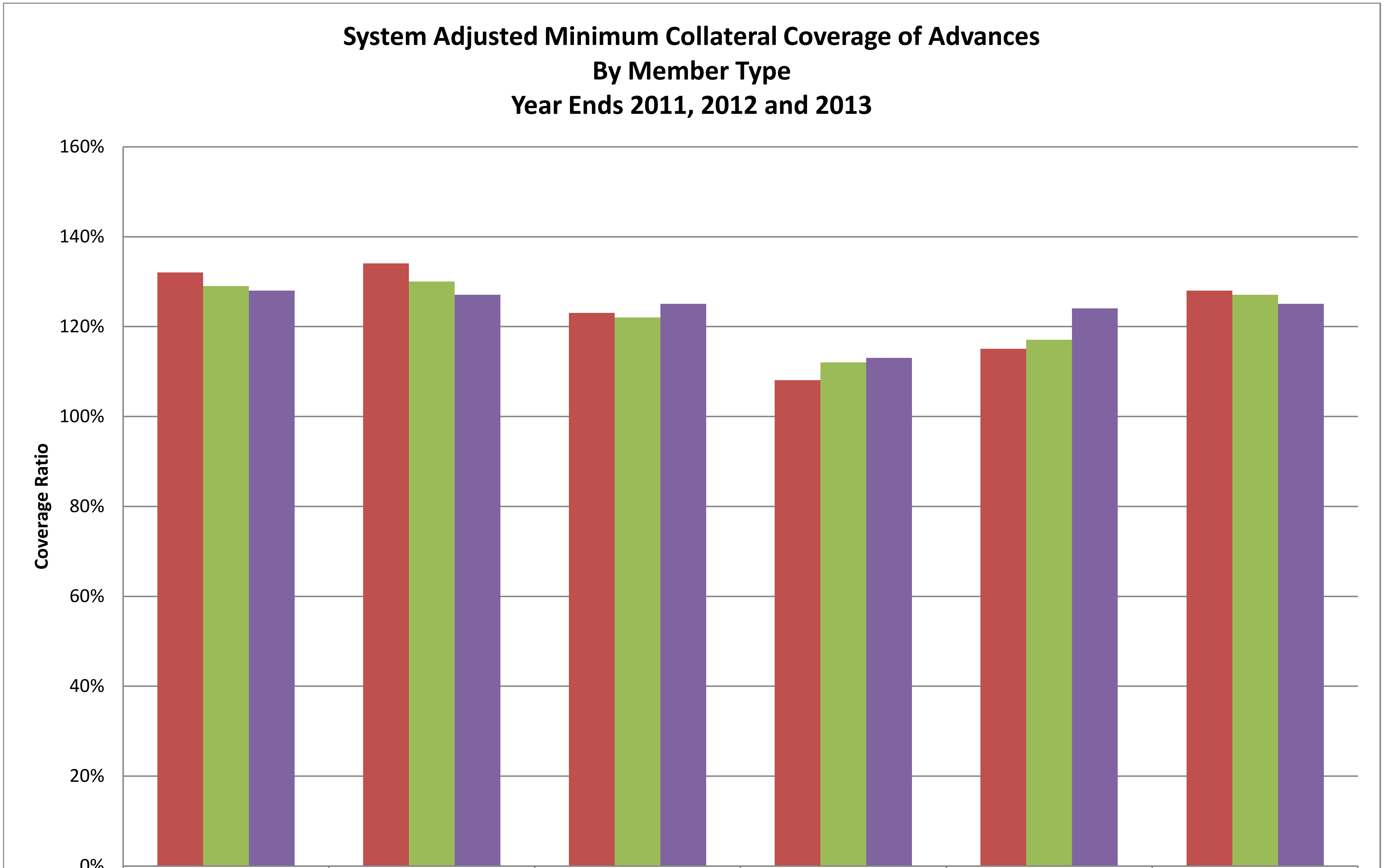
The table below displays the distribution of collateral securing advances to credit unions at year-ends 2011 and 2013:

Credit Union Collateral		
Collateral Type	**Percentage of Collateral 2012**	**Percentage of Collateral 2013**
PLS MBS/CMO	0	0
U.S. Agency MBS/CMOs	16	16
ORERC	1	1
Whole loans	81	81
Securities/Deposits	2	2

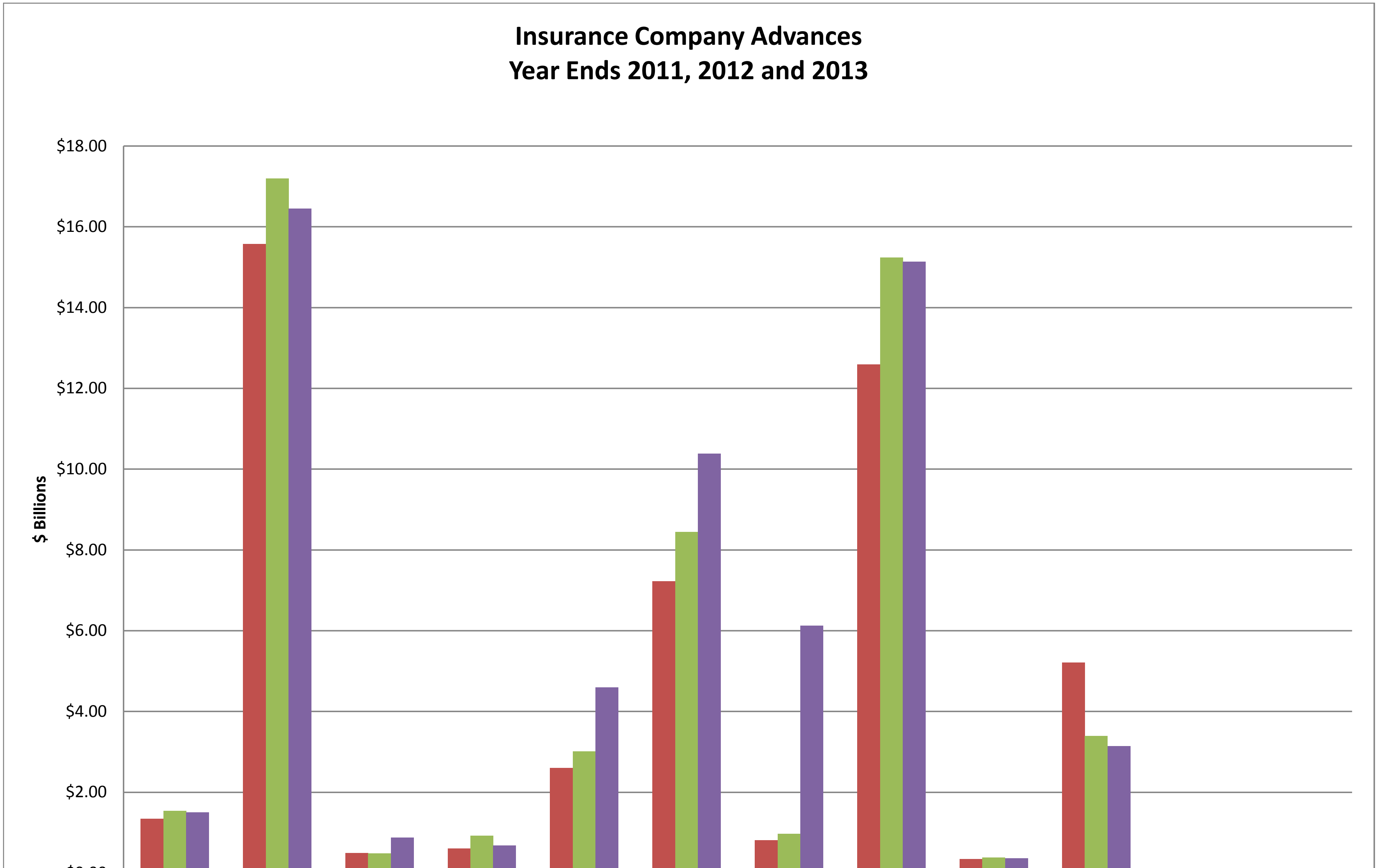
Exhibits

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) plus advances made to non-depository 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 non-depository CDFIs, $59.0 million as of year-end 2013.

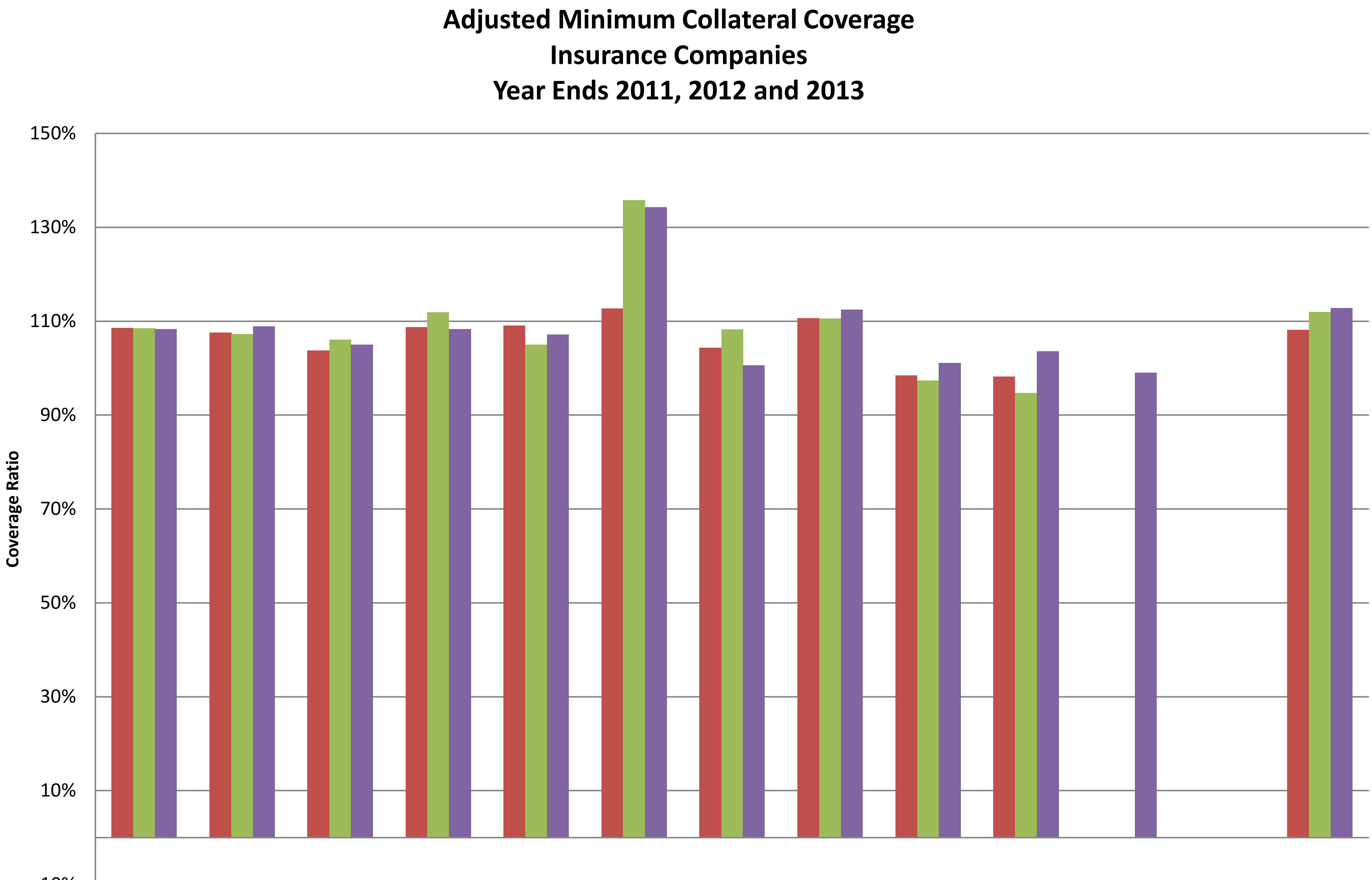
The remaining graphs in this section provide information on the volume of advances and the collateral coverage for both insurance companies and credit unions.



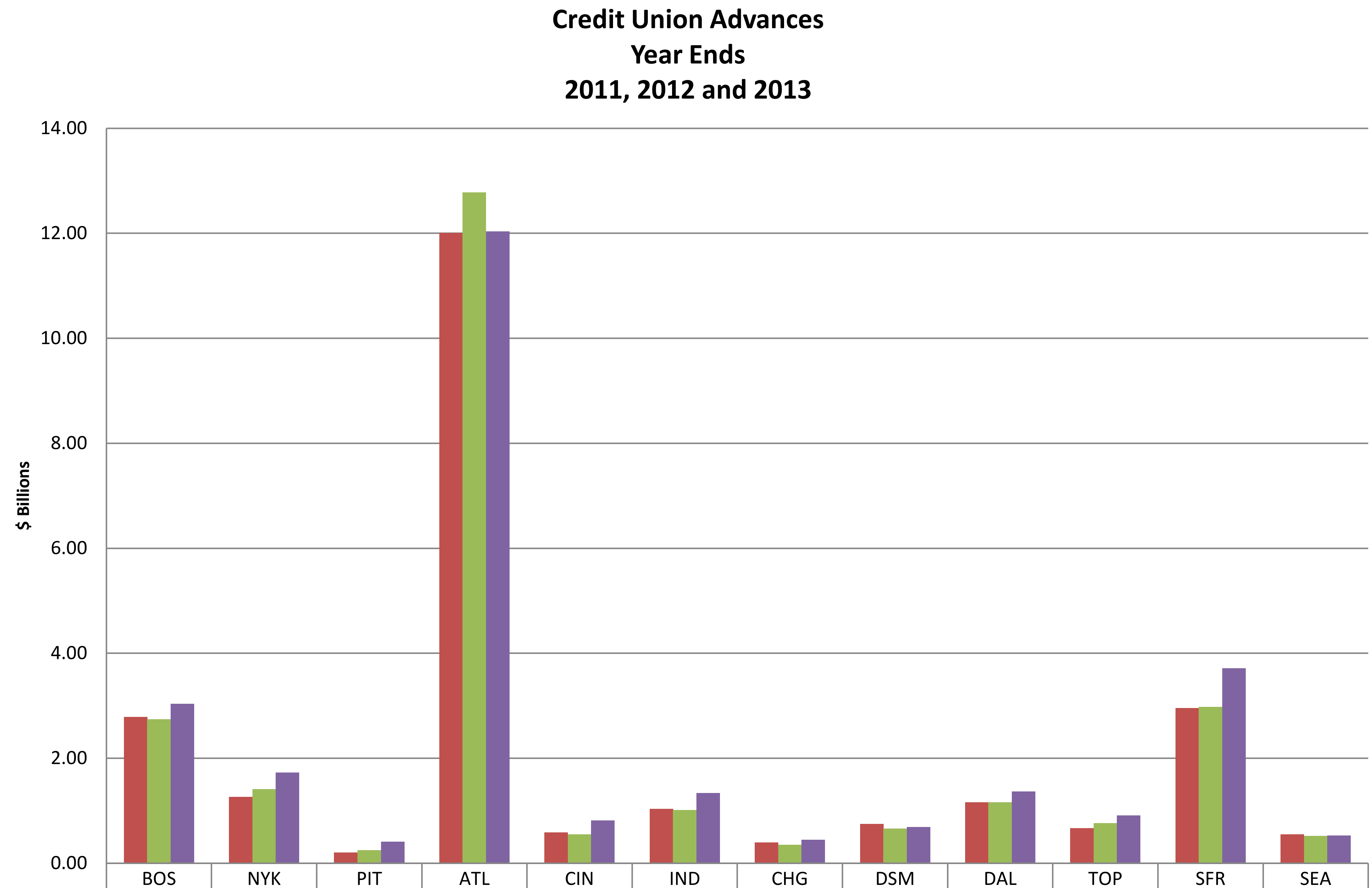
	Thrifts	Commercial Banks	Credit Unions	Insurance Companies	Others	All Members
2011	132%	134%	123%	108%	115%	128%
2012	129%	130%	122%	112%	117%	127%
2013	128%	127%	125%	113%	124%	125%



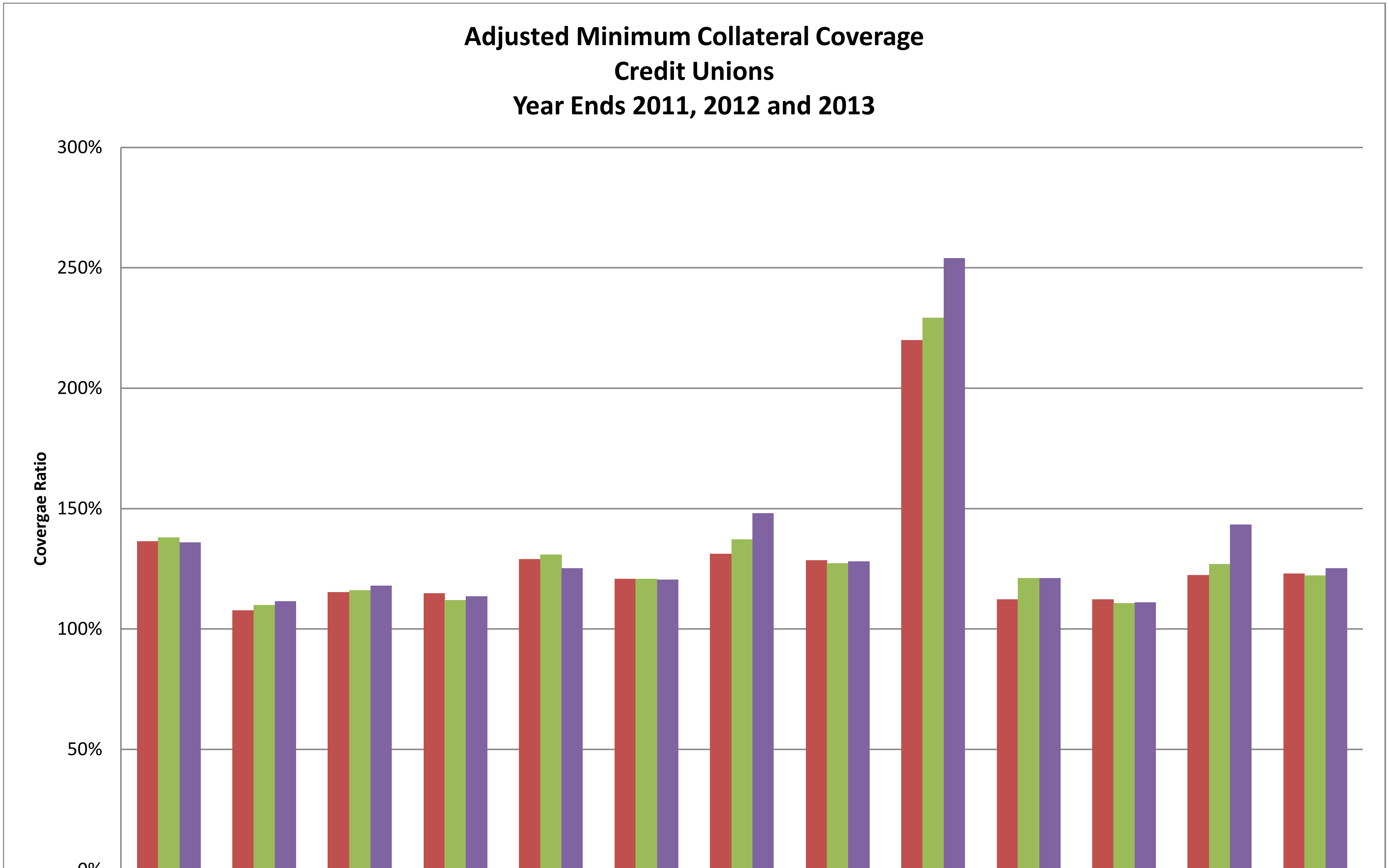
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2011	$1.35	$15.58	$0.49	$0.61	$2.61	$7.23	$0.82	$12.59	$0.35	$5.21	$0.00	$0.00
2012	$1.54	$17.20	$0.49	$0.93	$3.01	$8.45	$0.97	$15.24	$0.38	$3.40	$0.00	$0.00
2013	$1.51	$16.46	$0.88	$0.68	$4.60	$10.39	$6.13	$15.14	$0.36	$3.14	$0.10	$0.00



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
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%
2013	108%	109%	105%	108%	107%	134%	101%	112%	101%	104%	99%	0%	113%



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
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
2013	3.03	1.73	0.41	12.03	0.81	1.34	0.45	0.69	1.36	0.91	3.71	0.52



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
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%
2013	136%	112%	118%	114%	125%	121%	148%	128%	254%	121%	111%	143%	125%

8. Subprime and Nontraditional 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 2013.

Table 8.1

Adjusted Minimum Collateral
Subprime, Nontraditional and Alt-A Collateral to Collateral Class
Year End 2013

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	1.7%	3.8%	0.0%	0.0%	0.0%	A
NYK	0.3%	0.3%	0.0%	0.0%	0.0%	A
PIT	0.9%	33.9%	0.0%	0.0%	0.0%	A
ATL	0.2%	8.8%	0.0%	0.1%	0.4%	E
CIN	1.0%	0.0%	0.0%	0.0%	0.0%	E
IND	0.5%	0.0%	0.0%	0.0%	0.7%	A
CHG	0.4%	0.1%	0.0%	0.0%	0.0%	A & E
DSM	1.0%	0.0%	0.0%	0.0%	0.2%	E
DAL	6.3%	4.1%	0.1%	0.0%	0.9%	A & E
TOP	0.0%	0.2%	0.0%	0.0%	0.0%	A
SFR	0.0%	2.7%	0.0%	0.0%	0.2%	A
SEA	2.8%	5.4%	0.0%	0.0%	0.0%	A & E
SYS	1.0%	6.9%	0.0%	0.0%	0.2%	A & E

Table 8.2

Adjusted Minimum Collateral
Subprime, Nontraditional and Alt-A Collateral to Total Collateral
Year End 2013

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	Combined SP and NTM Mortgage, SP and Alt-A PLS Collateral
BOS	1.3%	2.9%	0.0%	0.0%	0.0%	4.3%
NYK	0.2%	0.2%	0.0%	0.0%	0.0%	0.4%
PIT	0.8%	29.3%	0.0%	0.0%	0.0%	30.1%
ATL	0.2%	7.1%	0.0%	0.0%	0.0%	7.3%
CIN	0.9%	0.0%	0.0%	0.0%	0.0%	0.9%
IND	0.2%	0.0%	0.0%	0.0%	0.1%	0.3%
CHG	0.3%	0.1%	0.0%	0.0%	0.0%	0.4%
DSM	0.7%	0.0%	0.0%	0.0%	0.0%	0.7%
DAL	3.3%	2.2%	0.1%	0.0%	0.0%	5.6%
TOP	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%
SFR	0.0%	2.3%	0.0%	0.0%	0.0%	2.3%
SEA	2.5%	4.8%	0.0%	0.0%	0.0%	7.3%
SYS	0.7%	4.9%	0.0%	0.0%	0.0%	5.6%

Table 8.3

Adjusted Minimum Collateral
Subprime, Nontraditional and Alt-A Collateral
Year End 2013
(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	$488	$1,068	$0	$0	$0	$1,556
NYK	$211	$199	$5	$0	$0	$415
PIT	$517	$19,159	$0	$0	$0	$19,676
ATL	$175	$7,415	$30	$0	$1	$7,621
CIN	$666	$9	$1	$0	$0	$676
IND	$44	$0	$0	$0	$28	$71
CHG	$80	$27	$0	$0	$0	$108
DSM	$367	$17	$0	$0	$6	$390
DAL	$1,376	$906	$21	$0	$4	$2,308
TOP	$0	$20	$0	$0	$0	$20
SFR	$0	$1,212	$0	$0	$0	$1,212
SEA	$379	$732	$6	$0	$0	$1,117
SYS	$4,303	$30,763	$63	$0	$39	$35,169

Table 8.4

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 8.5

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 8.6

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 2013 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

[1] 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.