

Federal Housing Finance Agency  
Order

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**In Re: Stress Testing of Each Federal  
Home Loan Bank**

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)  
) Order No. 2014-OR-B-1  
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**SUPPLEMENTAL ORDER ON REPORTING BY REGULATED ENTITIES OF  
STRESS TESTING RESULTS AS OF SEPTEMBER 30, 2013**

WHEREAS, section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires certain financial companies with total consolidated assets of more than \$10 billion, and which are regulated by a primary Federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions;

WHEREAS, FHFA’s rule implementing section 165(i)(2) of the Dodd-Frank Act is codified as 12 CFR part 1238 and requires that “[e]ach regulated entity must file a report in the manner and form established by FHFA.” 12 CFR § 1238.5(b);

WHEREAS, on November 26, 2013, FHFA issued an Order to each regulated entity accompanied by appendices numbered 1 through 10 and amended Summary Instructions and Guidance relating to the performance of stress tests as of September 30, 2013, and the reporting of the results of such tests;

WHEREAS, on December 13, 2013, FHFA issued a Supplemental Order to each regulated entity providing two additional appendices for use in reporting stress testing results as of September 30, 2013;

WHEREAS, each of the Federal Home Loan Banks timely submitted its stress test results pursuant to 12 CFR part 1238 and the implementing Orders, instructions, and guidance;

WHEREAS, after analyzing the results of each of the Federal Home Loan Banks’ stress testing and the methodologies and practices used in testing, FHFA has determined that the original template designed for public disclosure of the severely adverse test results should be revised; and

WHEREAS, section 1314 of the Safety and Soundness Act, 12 U.S.C. § 4514(a) authorizes the Director of FHFA to require regulated entities, by general or specific


order, to submit such reports on their management, activities, and operations as the Director considers appropriate.

NOW THEREFORE, it is hereby Ordered as follows:

Each of the Federal Home Loan Banks shall publicly report as required by 12 CFR part 1238 the severely adverse results of the required stress testing using the template provided herewith as Attachment 1.

IT IS SO ORDERED, this 24<sup>th</sup> day of June 2014.

**FEDERAL HOUSING FINANCE AGENCY**

By:   
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Melvin L. Watt  
Director

***Principal Federal Housing Finance Agency Contacts***

Naa Awaa Tagoe, Senior Associate Director, Office of Financial Analysis, Modeling and Simulations, (202) 649-3140, [NaaAwaa.Tagoe@fhfa.gov](mailto:NaaAwaa.Tagoe@fhfa.gov).

Stefan Szilagyi, Examination Manager, FHLBank Modeling, FHLBank Risk Modeling Branch, (202) 649-3515, [Stefan.Szilagyi@fhfa.gov](mailto:Stefan.Szilagyi@fhfa.gov).

Mark D. Laponsky, Deputy General Counsel, (202) 649-3054, [Mark.Laponsky@fhfa.gov](mailto:Mark.Laponsky@fhfa.gov).

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ATTACHMENT 1

To FHFA Order No. 2014-OR-B-1

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**FHLBank Dodd-Frank Stress Test Template - SEVERELY ADVERSE  
(Disclosure to the Public)**

**Cumulative Projected Financial Metrics  
(Q4 2013 - Q4 2015)**

1. Net interest income + other non-interest income
2. (Provision) benefit for credit losses on mortgage loans
3. OTTI Credit Losses
4. Mark-to-market gains (losses)
5. Global market shock impact on fair value assets
6. Net income (loss) before assessments
7. Total Capital (GAAP) - Starting
8. Total Capital (GAAP) - Ending
9. Regulatory Capital Ratio - Starting
10. Regulatory Capital Ratio - Ending