

PREPARED FOR THE SENATE COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS AND THE HOUSE COMMITTEE ON FINANCIAL SERVICES



U.S. FEDERAL HOUSING

REPORT ON COLLATERAL
PLEDGED TO FEDERAL HOME
LOAN BANKS

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Section 1 – Background

Congress established the Federal Home Loan Bank System (System) under the Federal Home Loan Bank Act of 1932 (the Bank Act). The primary business of the Federal Home Loan Banks (FHLBanks) is to make fully secured, low-cost loans, known as advances, to their members.^{1,2} Consistent with the provisions of the Bank Act, the FHLBanks require their members to pledge collateral in the form of mortgages and other eligible assets to secure their advances and other collateralized products offered by the FHLBanks.³

The Housing and Economic Recovery Act of 2008 (HERA) requires U.S. Federal Housing FHFA (Federal Housing Finance Agency or FHFA) to submit an annual report to Congress on the collateral pledged to the FHLBanks, including an analysis of collateral by type and by FHLBank district.⁴ FHFA’s Report on Collateral Pledged to Federal Home Loan Banks provides the required information. The information in this report uses data collected quarterly by FHFA’s Division of Federal Home Loan Bank Regulation (DBR). The tables report data on the unpaid principal balance (UPB) of eligible collateral pledged by FHLBank members as of December 31, 2024, unless otherwise indicated.⁵

Collateral at the FHLBanks

The Bank Act and FHFA regulations require the FHLBanks to obtain, at the time the borrower originates or renews an advance, and thereafter maintain, a security interest in eligible collateral

¹ Members of the FHLBanks include commercial banks, savings banks and savings associations, credit unions, insurance companies, and community development financial institutions (CDFIs). The Bank Act, at 12 U.S.C. 1424(a), sets forth the eligibility requirements for Bank membership, which are implemented by FHFA’s regulations at 12 CFR 1263.6. The Department of the Treasury’s regulations at 12 CFR 1805.200-201 set forth requirements for eligibility and certification as a CDFI.

² Non-member entities, such as state housing finance agencies, that meet certain requirements may obtain advances if they are certified as FHLBank “housing associates.” See 12 CFR part 1264. Advances to housing associates must be secured by a more limited range of collateral than is eligible to secure advances to members. For the purposes of this report, any reference to members includes non-member housing associates.

³ The FHLBank locations are Boston (BOS), New York (NYK), Pittsburgh (PIT), Atlanta (ATL), Cincinnati (CIN), Indianapolis (IND), Chicago (CHI), Des Moines (DSM), Dallas (DAL), Topeka (TOP), and San Francisco (SFR).

⁴ 12 U.S.C. § 1430(j)(12)(C).

⁵ This report defines eligible collateral as the total unpaid principal balance of collateral pledged by a member and deemed eligible by the FHLBank. This definition of eligible collateral excludes ineligible collateral (the difference between the pledged collateral and eligible collateral values) pledged by members. However, this may or may not account for ineligibility factors FHLBanks incorporate based on their collateral reviews.



from the borrower or an affiliate of the borrower that is sufficient to fully secure the advances.⁶ In general, the FHLBanks comply with this requirement by requiring each member or housing associate to sign a collateral security agreement that gives the FHLBank a security interest in some or all of its assets in an amount that exceeds the amount of advances outstanding to the member.

The board of directors of each FHLBank establishes the FHLBank's collateral policy, consistent with statutory and regulatory requirements.⁷ Each FHLBank's collateral policy identifies the types and amounts of eligible collateral it will accept. Collateral policies differ across FHLBanks, often reflecting differences in the risk characteristics of members served by each FHLBank, the risk tolerances of each FHLBank, and the methods and vendors used by each FHLBank to determine collateral lendable values. Key policy differences include the various types of eligible collateral each FHLBank will accept, the required collateral discount, and the conditions under which a member must deliver its collateral to the FHLBank.⁸

Section 2 of this report provides an overview and analysis of individual FHLBanks' and the overall System's collateral by composition, collateral type, and other relevant categories. Section 3 provides a glossary and definitions of terms used throughout the report.

Section 2 – Analysis

Total advances at the FHLBanks as of year-end 2024 were \$736.7 billion, a decrease of about 9.0 percent from \$809.6 billion at year-end 2023.⁹ Over the same period, the total UPB of the FHLBanks' eligible collateral increased to \$4.45 trillion from \$4.37 trillion, an increase of about

⁶ 12 U.S.C. 1430(a)(1), (3); 12 CFR 1266.2(c)(1), 1266.7(a), (g). The Bank Act, at 12 U.S.C. 1430(a)(3), and FHFA regulations, at 12 CFR 1266.7(a) and (b), specify the types of collateral that are eligible to secure advances. In addition to advances, other credit products offered by the FHLBanks to their members must also be fully secured. *See e.g.*, 12 CFR 1268.5(c)(1)(ii) (requiring that the credit enhancement provided by members selling mortgages to the FHLBanks under their acquired member assets programs be fully secured); 1269.2(b), 1269.3(a) (authorizing FHLBanks to issue standby letters of credit to members and housing associates only where their obligation thereunder is fully secured).

⁷ 12 CFR 1239.30(b)(2).

⁸ Each FHLBank has a set of criteria under which it requires a member to deliver collateral to the FHLBank. For example, an FHLBank member's credit rating falling below a specific level can trigger required delivery of collateral by the member.

⁹ Information on advances is based on data from the FHFA Call Report System (CRS). Unless otherwise noted, all other data is based on the Quarterly Collateral Survey. All volume changes and percentages are calculated prior to rounding.



1.6 percent.¹⁰ The reported borrowing capacity of that collateral was \$3.01 trillion, up slightly from \$3.00 trillion as of year-end 2023.

Table 1: System Collateral (\$T)

	2023	2024	Volume Change	Percent Change ¹¹
System Unpaid Principal Balance (UPB) Pledged	\$4.77	\$4.90	\$0.12	2.55%
System Unpaid Principal Balance (UPB) Eligible	\$4.37	\$4.45	\$0.07	1.63%
System Borrowing Capacity (BC)	\$3.00	\$3.01	\$0.02	0.55%

FHLBank members pledge various types of collateral to the FHLBanks to secure advances and other FHLBank products. This report aggregates collateral into five general categories based on the most common collateral types. Several of these categories are further split into more granular subcategories. The categories (and subcategories) are:

- Single-family (SF) 1-4 unit residential first liens¹²
- Securities
 - Agency mortgage-backed securities (MBS)/collateralized mortgage obligations (CMOs)¹³
 - Non-MBS agency securities¹⁴
 - Private-label Commercial MBS (CMBS)
 - Private-label MBS (PLMBS)
 - All other authorized securities (Other Securities)¹⁵
- Multifamily (MF) first and second liens
- Other real estate-related collateral (ORERC)
 - Commercial real estate (CRE) first and second liens

¹⁰ While the total pledged collateral includes eligible and ineligible collateral, the UPB of eligible collateral excludes any known ineligible collateral and may account for ineligibility factors extrapolated from collateral reviews. Unless otherwise specified, reported collateral values reflect all eligible collateral pledged by all members and non-member housing associates.

¹¹ Percent changes were calculated using unrounded figures.

¹² Single-family indicates fully disbursed, 1-4 unit first mortgage loans on improved residential property, including conforming loans, non-traditional loans, subprime loans, and government-guaranteed loans.

¹³ Includes all Agency mortgage-backed securities and collateralized mortgage obligations, e.g., Fannie Mae, Freddie Mac, Ginnie Mae, etc.

¹⁴ Non-MBS bonds and notes issued by government-sponsored enterprises including agency discount notes and bonds.

¹⁵ Other Securities include (among others) U.S. Treasuries, eligible municipal bonds, cash, and certificates of deposit.



- Closed-end SF second liens (SF second liens, home equity loans) and open-ended SF first and second liens (home equity lines of credit (HELOCs))
 - Land loans
 - Other ORERC¹⁶
- Community financial institution (CFI) collateral¹⁷
 - Small business loans/securities
 - Small farm loans/securities
 - Small agribusiness loans/securities
 - Community development loans/securities
 - Not specified¹⁸

SF loan collateral remained the largest single collateral category at year-end 2024, accounting for approximately 48 percent of all eligible collateral pledged across the FHLBanks. Table 2 shows the composition of collateral pledged to the FHLBanks based on the categories above. The amount of SF loan collateral pledged increased by approximately \$9 billion or 0.4 percent from year-end 2023 to year-end 2024. The largest percentage increases occurred in Agency MBS/CMOs and non-MBS Agency Securities, increasing approximately 11 percent and 9 percent, respectively. The third largest percentage increase occurred in HELOCs and SF 2nd lien collateral, increasing approximately 7 percent. Other collateral categories either decreased or had small changes year-over-year.

¹⁶ Other ORERC includes (among others) real estate construction loans, participation loans, and loans covered by a loss sharing agreement.

¹⁷ For 2024, a CFI is an FHLBank member whose deposits are insured under the Federal Deposit Insurance Act and that has average total assets over the preceding three years of less than \$1.461 billion. 89 FR 2225 (Jan. 12, 2024). The FHLBanks are authorized to accept from CFI members (and their affiliates) additional types of collateral that would not otherwise be considered eligible as security for advances, including small business loans, small farm loans, small agribusiness loans, community development loans, and securities representing a whole interest in such loans. 12 U.S.C. 1430(a)(3)(E); 12 CFR 1266.7(b)(1).

¹⁸ CFI collateral: “Not specified” is a broad category that addresses any FHLBanks not reporting the level of granularity in the above categories.



Report on Collateral Pledged to Federal Home Loan Banks

Table 2: System Eligible Collateral by Category (\$B)¹⁹

Collateral Category	2023 Eligible Collateral	2023 Percent of Total Collateral	2024 Eligible Collateral	2024 Percent of Total Collateral	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent)
SF 1st lien	\$2,136.9	48.9%	\$2,146.0	48.3%	\$9.1	0.4%
MF	\$402.3	9.2%	\$406.9	9.2%	\$4.6	1.1%
ORERC: CRE	\$848.9	19.4%	\$861.2	19.4%	\$12.2	1.4%
ORERC: HELOCS and SF 2nd lien	\$172.7	3.9%	\$185.4	4.2%	\$12.7	7.4%
ORERC: Land	\$99.1	2.3%	\$98.7	2.2%	-\$0.4	-0.4%
Other ORERC	\$86.9	2.0%	\$86.0	1.9%	-\$0.9	-1.1%
CFI	\$52.9	1.2%	\$54.1	1.2%	\$1.2	2.2%
Agency MBS/CMOs	\$374.4	8.6%	\$416.0	9.4%	\$41.6	11.1%
Non-MBS Agency Securities	\$31.3	0.7%	\$34.1	0.8%	\$2.8	9.1%
CMBS	\$55.5	1.3%	\$52.7	1.2%	-\$2.8	-5.1%
PLMBS	\$27.1	0.6%	\$24.8	0.6%	-\$2.3	-8.5%
Other Securities	\$85.9	2.0%	\$79.3	1.8%	-\$6.6	-7.7%
Total	\$4,374.1	100.0%	\$4,445.2	100.0%	\$71.1	1.6%

1. Distribution of Collateral by Type and FHLBank

The distribution of eligible collateral as of year-end 2024 varied across the FHLBanks. Mirroring the System, SF first lien loan collateral was the largest collateral category at all 11 of the FHLBanks. CRE loan collateral was the second largest collateral category at nine FHLBanks, and MF loan collateral was the second largest category at two FHLBanks (New York and Cincinnati). Four FHLBanks – Atlanta, Boston, Cincinnati, and New York – reported having no eligible CFI collateral pledged by their members. Table 3 provides more detail on the distribution of collateral at each of the 11 FHLBanks.

¹⁹ Percentages and changes were calculated using unrounded figures.



Report on Collateral Pledged to Federal Home Loan Banks

Table 3: UPB of Eligible Collateral by FHLBank, 2024 (\$B)²⁰

Collateral Category	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR	Total
SF 1st lien	\$135	\$248	\$181	\$355	\$337	\$60	\$94	\$309	\$167	\$83	\$177	\$2,146
MF	\$13	\$76	\$39	\$19	\$87	\$14	\$33	\$47	\$24	\$14	\$42	\$407
ORERC: CRE	\$26	\$75	\$101	\$105	\$57	\$33	\$45	\$123	\$164	\$43	\$90	\$861
ORERC: HELOCS and SF 2nd lien	\$17	\$9	\$42	\$29	\$24	\$6	\$16	\$15	-	\$6	\$21	\$185
ORERC: Land	-	-	\$4	\$1	\$1	-	\$7	\$17	\$66	\$3	-	\$99
Other ORERC	\$5	\$2	\$0	\$1	\$0	\$0	\$8	\$21	\$45	\$2	\$1	\$86
CFI	-	-	\$2	-	-	\$0	\$9	\$7	\$11	\$23	\$2	\$54
Agency MBS/CMOs	\$25	\$46	\$16	\$74	\$26	\$15	\$21	\$29	\$117	\$14	\$34	\$416
Non-MBS Agency Securities	\$1	\$6	\$4	\$3	\$2	\$4	\$3	\$4	\$3	\$1	\$3	\$34
CMBS	\$0	\$14	\$10	\$3	\$6	\$2	\$2	\$10	\$2	\$1	\$0	\$53
PLMBS	\$0	\$4	\$4	\$3	\$3	\$1	\$2	\$2	\$1	\$2	\$1	\$25
Other Securities	\$5	\$15	\$1	\$13	\$5	\$3	\$11	\$10	\$9	\$3	\$5	\$79
Total	\$228	\$496	\$404	\$605	\$550	\$140	\$249	\$594	\$608	\$195	\$375	\$4,445

2. Single-Family Collateral

SF loan collateral is comprised of a wide variety of residential loan types including traditional, subprime, nontraditional, held for sale, and government guaranteed loans (e.g., loans insured or guaranteed by the Federal Housing Administration, the U.S. Department of Veterans Affairs, etc.). Because the quarterly data submitted by the FHLBanks varies in their categorization of the various subtypes for SF loan collateral, for the purposes of this report, all of these subtypes of SF loan collateral are combined into a single SF category.

SF loan collateral represents the largest category of eligible collateral pledged to the FHLBanks at approximately 48 percent of all eligible collateral pledged to the FHLBanks in 2024, a slight

²⁰ For the purposes of this report, a dash (“-”) indicates no reported information, while a zero (“\$0”) indicates reported collateral that rounds to zero.



increase in dollar terms compared to year-end 2023 (see Table 2). SF loan collateral increased in absolute terms by about \$9 billion in the System. Table 4 provides more details.

Table 4: Single Family UPB Eligible by FHLBank (\$M)

Bank	2023	2024	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent) ²¹
BOS	\$132,113.1	\$134,854.2	\$2,741.1	2.1%
NYK	\$249,752.2	\$248,462.0	-\$1,290.2	-0.5%
PIT	\$178,445.0	\$180,765.0	\$2,319.9	1.3%
ATL	\$350,238.2	\$355,066.9	\$4,828.7	1.4%
CIN	\$370,874.2	\$336,971.9	-\$33,902.3	-9.1%
IND	\$54,802.4	\$60,459.1	\$5,656.6	10.3%
CHI	\$91,418.2	\$93,598.6	\$2,180.4	2.4%
DSM	\$292,117.2	\$308,799.3	\$16,682.1	5.7%
DAL	\$159,341.6	\$166,962.7	\$7,621.1	4.8%
TOP	\$78,921.8	\$83,045.6	\$4,123.8	5.2%
SFR	\$178,895.4	\$177,011.0	-\$1,884.3	-1.1%
Total	\$2,136,919.4	\$2,145,996.3	\$9,076.9	0.4%

3. Multifamily Collateral

System-wide, MF loan collateral accounted for approximately 9 percent of eligible collateral pledged at year-end 2024, increasing slightly from year-end 2023. The volume of eligible MF loan collateral pledged increased by approximately 1 percent year over year. The FHLBank of Cincinnati had the largest percentage increase in eligible MF loan collateral at 20.9 percent as well as the largest volume increase at over \$15 billion. Table 5 provides more detail on MF loan collateral at the FHLBanks.

²¹ Percentages and changes were calculated using unrounded figures.



Table 5: Multifamily UPB Eligible by FHLBank (\$M)

Bank	2023	2024	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent) ²²
BOS	\$13,697.1	\$13,057.6	-\$639.5	-4.7%
NYK	\$84,685.8	\$76,402.1	-\$8,283.6	-9.8%
PIT	\$37,630.5	\$39,122.9	\$1,492.4	4.0%
ATL	\$17,373.6	\$18,702.8	\$1,329.1	7.7%
CIN	\$71,910.8	\$86,941.0	\$15,030.2	20.9%
IND	\$12,495.0	\$13,652.7	\$1,157.7	9.3%
CHI	\$28,995.4	\$32,708.4	\$3,712.9	12.8%
DSM	\$42,139.5	\$46,716.8	\$4,577.2	10.9%
DAL	\$20,755.5	\$23,579.7	\$2,824.1	13.6%
TOP	\$11,724.7	\$14,030.2	\$2,305.5	19.7%
SFR	\$60,875.0	\$41,959.1	-\$18,915.9	-31.1%
Total	\$402,283.0	\$406,873.2	\$4,590.2	1.1%

4. Other Real Estate-Related Collateral (ORERC)

ORERC includes all real estate-related, non-residential whole loans, including CRE as well as participation loans and residential loans not included in the SF first liens and MF loan categories (e.g., HELOCs). To qualify as ORERC, by statute, an asset must have a readily ascertainable value and an FHLBank must be able to perfect a security interest in the collateral.²³ FHFA regulations further require that the collateral can be reliably discounted to account for liquidation and other risks and can be liquidated in due course.²⁴ The FHLBanks generally apply larger discounts to the value of ORERC to secure advances relative to securities and SF loans.

Overall, the amount of ORERC collateral increased in the System by approximately 2.0 percent between year-end 2023 and year-end 2024. The FHLBank of Topeka had the largest increase in ORERC collateral in percentage terms, and the FHLBank of Atlanta had the largest increase by volume. Table 6 provides more details.

²² Percentages and changes were calculated using unrounded figures.

²³ 12 U.S.C. 1430(a)(3)(D).

²⁴ 12 CFR 1266.7(a)(4)(i)(A).



Table 6: ORERC UPB Eligible by FHLBank (\$M)

Bank	2023	2024	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent) ²⁵
BOS	\$49,165.9	\$48,226.7	-\$939.2	-1.9%
NYK	\$88,054.7	\$86,225.1	-\$1,829.6	-2.1%
PIT	\$150,567.7	\$146,934.6	-\$3,633.0	-2.4%
ATL	\$128,322.3	\$136,230.0	\$7,907.6	6.2%
CIN	\$79,464.2	\$83,118.8	\$3,654.6	4.6%
IND	\$36,573.2	\$39,336.7	\$2,763.5	7.6%
CHI	\$70,433.7	\$74,983.9	\$4,550.2	6.5%
DSM	\$173,220.3	\$176,520.7	\$3,300.4	1.9%
DAL	\$268,950.6	\$274,683.3	\$5,732.7	2.1%
TOP	\$48,915.3	\$53,552.2	\$4,636.9	9.5%
SFR	\$114,048.2	\$111,468.7	-\$2,579.5	-2.3%
Total	\$1,207,716.3	\$1,231,280.7	\$23,564.4	2.0%

5. CFI Collateral

The FHLBanks accept from CFI members (and their affiliates) additional types of collateral that would otherwise not be eligible collateral as security for advances, including small business loans, small farm loans, small agribusiness loans and community development loans, and securities representing a whole interest in such loans.²⁶ Overall, the FHLBanks reported approximately \$54 billion in eligible CFI collateral pledged, which represents less than 2 percent of the total UPB of eligible collateral pledged System-wide. Eligible CFI collateral pledged to the FHLBanks increased year over year. Table 7 provides more details.

Four of the FHLBanks – Atlanta, Boston, Cincinnati, and New York – reported no eligible CFI collateral pledged as of year-end 2024. The FHLBanks of Topeka, Dallas, Chicago and Des Moines reported approximately \$23 billion, \$11 billion, \$9 billion, and \$6 billion in eligible CFI collateral pledged, respectively, and accounted for around 91 percent of all eligible CFI collateral pledged to the System. No other FHLBank held more than \$3 billion of eligible CFI collateral in its collateral portfolio. Four of the FHLBanks saw an increase in eligible CFI collateral and

²⁵ Percentages and changes were calculated using unrounded figures.

²⁶ Several FHLBanks also accept farmland loans from non-CFI members, which is included in the ORERC category.



three FHLBanks saw a decrease. The FHLBank of Indianapolis saw the largest percentage increase in eligible CFI collateral at approximately 9 percent.

Table 7: CFI UPB Eligible by FHLBank (\$M)

Bank	2023	2024	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent) ²⁷
BOS	-	-	-	-
NYK	-	-	-	-
PIT	\$2,191.9	\$2,136.6	-\$55.3	-2.5%
ATL	-	-	-	-
CIN	-	-	-	-
IND	\$293.3	\$320.1	\$26.8	9.1%
CHI	\$8,713.8	\$8,535.7	-\$178.0	-2.0%
DSM	\$6,192.4	\$6,541.1	\$348.8	5.6%
DAL	\$10,461.0	\$10,848.2	\$387.1	3.7%
TOP	\$22,523.9	\$23,347.3	\$823.4	3.7%
SFR	\$2,539.4	\$2,360.9	-\$178.5	-7.0%
Total	\$52,915.7	\$54,089.9	\$1,174.2	2.2%

6. Securities Collateral

Members pledge many different types of securities to the FHLBanks as collateral for advances and other collateralized products, including cash and certificates of deposit, Treasuries, Agency MBS/CMOs, non-MBS agency securities, CMBS, PLMBS, and others. System-wide, eligible securities collateral increased by approximately \$33 billion in total UPB from year-end 2023 to year-end 2024. The eligible collateral changes by FHLBank ranged from -13.9 percent to 35.6 percent. The FHLBank of Atlanta had the largest dollar volume increase, while the FHLBank of Pittsburgh had the largest percentage increase. Table 8 provides more detail on the securities collateral pledged in the System and at each FHLBank.

²⁷ Percentages and changes were calculated using unrounded figures.



Report on Collateral Pledged to Federal Home Loan Banks

Table 8: Securities UPB Eligible by FHLBank (\$M)

Bank	2023	2024	Change in Eligible Collateral (Volume)	Change in Eligible Collateral (Percent) ²⁸
BOS	\$26,960.1	\$32,059.6	\$5,099.5	18.9%
NYK	\$83,183.3	\$84,931.3	\$1,748.0	2.1%
PIT	\$25,710.3	\$34,851.5	\$9,141.2	35.6%
ATL	\$85,441.8	\$95,451.8	\$10,010.0	11.7%
CIN	\$34,318.0	\$42,936.9	\$8,618.8	25.1%
IND	\$23,784.7	\$26,382.2	\$2,597.5	10.9%
CHI	\$38,686.5	\$39,161.9	\$475.4	1.2%
DSM	\$48,321.0	\$55,880.3	\$7,559.3	15.6%
DAL	\$144,339.0	\$132,117.6	-\$12,221.4	-8.5%
TOP	\$23,849.7	\$20,534.0	-\$3,315.7	-13.9%
SFR	\$39,630.2	\$42,653.8	\$3,023.6	7.6%
Total	\$574,224.7	\$606,960.9	\$32,736.3	5.7%

²⁸ Percentages and changes were calculated using unrounded figures.



Section 3 – Glossary

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

Agency Mortgage-Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs) – MBS and CMOs issued, insured, or guaranteed by Fannie Mae, Freddie Mac, or the U.S. Government or an Agency thereof.

Borrowing capacity – The lendable value of collateral pledged based on member and collateral type, net of discounts and all other adjustments.

Community Financial Institution (CFI) – A member, the deposits of which are insured under the Federal Deposit Insurance Act, that has average total assets of \$1 billion or less, based on an average of total assets over the last three years. FHFA is required to adjust the \$1 billion asset threshold annually, based on the rate of inflation. For 2024, FHFA increased the CFI asset cap to \$1,461,000,000, which reflects a 3.1 percent increase in the unadjusted CPI-U from November 2022 to November 2023. FHLBank members that are CFIs may pledge small business loans, small farm loans, small agribusiness loans, and 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.

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

Market value of eligible collateral – The total market value of all collateral pledged and eligible. If market value is not available or the collateral was not priced, the value defaults to the UPB.

Member – An eligible financial institution that has been approved for membership and has purchased stock in an FHLBank.

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

Other Real Estate-Related Collateral (ORERC) – As defined under 12 CFR 1266.7(a)(4), eligible ORERC may include but is not limited to: PLMBS not otherwise eligible, second mortgage loans including home equity loans, commercial real estate loans, and mortgage loan participations. Such collateral may be eligible provided that it has a readily ascertainable value,



can be reliably discounted to account for liquidation and other risks, can be liquidated in due course, and the FHLBank can perfect a security interest in such collateral. For purposes of this report, the ORERC section focuses on loan collateral while any ORERC securities are included in the Securities section.

UPB of eligible collateral – The total unpaid principal balance of collateral pledged which is eligible. This definition excludes any ineligible collateral and accounts for any ineligibility factors determined from collateral reviews by the FHLBanks.

