Federal Housing Finance Agency
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January 26, 2009

The Honorable Christopher J. Dodd
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington D.C. 20510

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

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

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

Dear Chairmen and Ranking Members:

Enclosed please find a report on the collateral pledged to the Federal Home Loan Banks. The report is required by Section 1212 of the Housing and Economic Recovery Act of 2008.

The report is based on our 2008 annual collateral data survey, which collected information as of December 31, 2007. We will conduct our 2009 collateral data survey, as of December 31, 2008, shortly. Our report on the 2009 survey should be complete by approximately July 31, 2009.

Should you have any questions about the enclosed report, please feel free to contact me at (202) 414-3801.

Sincerely,

James B. Lockhart III
Director

Report on Collateral Securing Advances at the 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

January 2009

TABLE OF CONTENTS

1. Introduction

This report discusses the collateral that secures outstanding advances at the Federal Home Loan Banks (FHLBanks) as of December 31, 2007. It is based upon an annual survey conducted by the Federal Housing Finance Agency's Division of Federal Home Loan Bank Regulation, herein known as the Collateral Data Survey. Collateral Data Survey results are being released for the first time to the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Committee on Financial Services of the House of Representatives in response to Section 1212 of the Housing and Economic Recovery Act of 2008.

The purpose of the Collateral Data Survey is to better understand the composition of the collateral on which the FHLBanks rely to secure advances. The survey does not collect information on the actual levels of collateral securing advances, but instead collects information on the minimum levels of collateral required by the FHLBanks' policies. The responsibility for establishing an FHLBank's collateral policies rests with each FHLBank's board of directors, consistent with statutory and regulatory requirements. Variations in collateral policies between FHLBanks exist due to differences in the types of members at each FHLBank and each FHLBank's risk tolerance level, among other factors.

The survey focuses on minimum levels of collateral required by FHLBank policies because most FHLBanks file a blanket lien on the assets of most of their borrowing members. The volume of collateral under blanket lien, however, is generally not the most meaningful indicator of collateral protection because it does not indicate the quality or liquidity of the collateral. In general, the FHLBanks that utilize a blanket lien establish a "collateral hierarchy" in which they first consider the highest quality and most liquid collateral when calculating collateral coverage before they look to other types of collateral. Thus, the FHLBanks report in the Collateral Data Survey the collateral that they would, in the first instance, rely upon to cover any repayment shortfall resulting from member default on an outstanding advance. The amounts reported in the Collateral Data Survey do not reflect all eligible collateral that a member has pledged to an FHLBank to establish a maximum borrowing capacity, *i.e.*, a line of credit, nor do they reflect all collateral that an FHLBank's lien on a member's assets may cover, *e.g.*, assets that are ineligible by the FHLBank's policies, laws, or regulations to support a member's borrowing capacity.

As of December 31, 2007, FHLBank advances totaled approximately $867 billion. The FHLBanks reported that the book value of collateral securing those advances totaled approximately $1.3 trillion. Given the preceding discussion about the contents of the Collateral Data Survey responses, one must view aggregations of Collateral Data Survey information, particularly FHLBank System-wide aggregations, with care.

Information for the Collateral Data Survey was collected through three reporting schedules: Collateral Securing Advances; Other Real Estate Related and Community Financial Institution Collateral; and Original Maturity of Advances.

The Collateral Securing Advances schedule reports the types and amounts of collateral delivered, listed, or secured by blanket lien. The schedule further segregates the information by type and size of member. The member size categories are less than $100 million in total assets, $100 million to $599 million ($599 million was the 2007 cutoff for Community Financial Institution (CFI) designated members), $600 million to $1 billion, $1 billion to $10 billion, and greater than $10 billion.

The Other Real Estate Related Collateral (ORERC) and CFI Collateral schedule provides details regarding ORERC, CFI collateral, and CFI-associated advances. ORERC includes, for example, commercial real estate loans, residential second mortgage loans, and home equity lines of credit; see Section 5 of this report for further information.

The Original Maturity of Advances schedule reports information on outstanding advances by original maturity according to six maturity categories: less than 1 month, 1 to 6 months, 6 to 12 months, 12 to 24 months, 24 to 60 months, and greater than 60 months. The information is segregated by type and size of member institution.

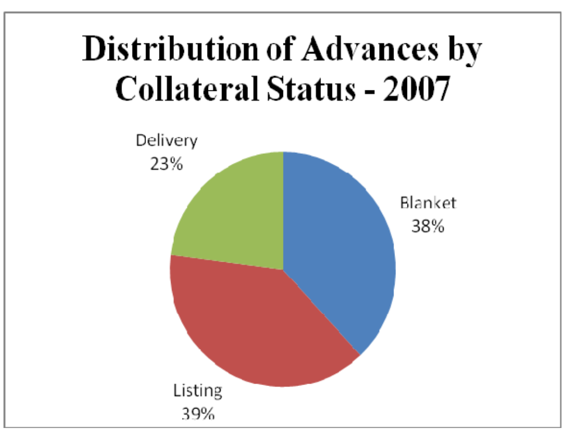
Section 2 of this report provides a summary of the findings from the 2008 Collateral Data Survey. Sections 3 through 9 of this report provide additional detail on principal findings and topics of interest.

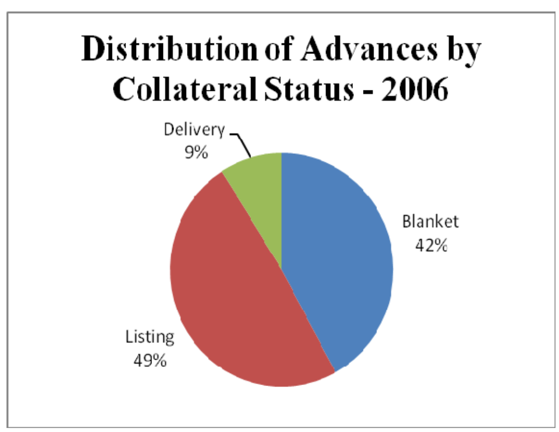
2. Summary of Findings

Blanket, Listing and Delivery

The FHLBanks secure member advances by: a blanket lien on all or specific categories of a member's assets (blanket); a lien on specific member assets or categories of assets for which the FHLBank has received a listing of asset characteristics (listing); assets that a member delivers to the FHLBank or an approved safekeeping facility (delivery); or some combination of the three approaches. Members are generally granted greater borrowing capacity through a listing or delivery of collateral; however, an FHLBank might require listing or delivery for less creditworthy members. Under listing and delivery, the FHLBank has more information regarding the specific attributes of the assets pledged, allowing for more accurate valuation, and, in the case of delivery, more control as the FHLBank has possession of the collateral. In the case of listing, an FHLBank may require a member, for example, to provide the interest rate on fixed-rate loans, the interest rate index for variable-rate loans, term-to-maturity, loan-to-value, *etc.*, allowing the FHLBank to better determine the value of the loans. Greater confidence about collateral value generally enables the FHLBank to increase the member's borrowing capacity relative to the collateral pledged. Conversely, with a blanket lien, FHLBanks typically require higher collateral coverage levels since they have less information about the collateral and, therefore, less certainty about the collateral value.

Collateral Data Survey responses indicate a shift away from exclusive reliance on the use of a blanket lien and toward requirements for listing and delivery of collateral between 2006 and 2007, perhaps not unexpected in light of the current conditions in the financial markets. At year-end 2007, 38 percent of advances across the System were secured by collateral under blanket lien, 39 percent by listed collateral, and 23 percent by delivered collateral. By comparison, at year-end 2006, 42 percent of advances were secured by collateral under blanket lien, 49 percent by listed collateral, and 9 percent by delivered collateral.





The extent to which FHLBanks use the blanket, listing, and delivery methods varies. Two FHLBanks (Cincinnati and Pittsburgh) reported in excess of 90 percent of total advances secured by blanket lien. Nine FHLBanks (Atlanta, Boston, New York, Indianapolis, Des Moines, Dallas, Topeka, San Francisco and Seattle) reported that advances secured by listing and delivery methods were greater than 50 percent of total advances. The FHLBank of New York reported no advances secured under blanket lien for purposes of the survey even though a blanket lien is filed on all assets for each member. This seeming inconsistency is because the FHLBank of New York only grants credit to a member based on the assets for which the member has provided a listing or 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.

Collateral Composition

The percentage of whole-loan residential mortgage collateral to total collateral across the System declined by 10 percentage points from 2006, but remains the majority of collateral at 68 percent of total collateral. Other collateral types in descending order are: ORERC (16 percent), private-label mortgage-backed securities (MBS) and collateralized mortgage obligations (CMOs) (9 percent), U.S. agency MBS and CMOs (5 percent), CFI collateral (0.8 percent), and securities and other deposits (0.5 percent). The other securities and deposits category includes U.S. Treasury and non-MBS/CMO agency securities and deposits in FHLBanks. See Graph 3.1 in Section 3 of this report for a comparison of the distribution of collateral types at the System level from 2001 through 2007.

Coverage Ratios

The System-wide collateral-to-advances coverage ratio[1] was 152 percent at year-end 2007, a three percentage point increase from year-end 2006. The average coverage ratio increased at seven FHLBanks (Boston, Cincinnati, Chicago, Dallas, Topeka, San Francisco and Seattle), decreased at four FHLBanks (New York, Pittsburgh, Indianapolis and Des Moines), and remained unchanged at the FHLBank Atlanta. The average coverage ratio for members ranged from a high of 183 percent at the FHLBank of San Francisco to a low of 122 percent at the FHLBank of Topeka.

Lower coverage ratios generally occur for three reasons: the eligible collateral is considered relatively less risky, and so the FHLBank has a lower collateral coverage requirement; the FHLBank believes it has members deserving of lower collateral coverage requirements; and/or the FHLBank may have a larger portion of its advances secured by collateral on a listing or delivery basis.

[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.

System-wide averages of collateral coverage across member asset size categories remained within a relatively narrow range as of year-end 2007, from a low of about 136 percent for members with total assets less than $100 million to a high of about 168 percent for members with total assets between $1 billion and $10 billion. However, at certain FHLBanks, collateral coverage ratios across member asset size categories spanned a wider range. At the FHLBank of San Francisco, for example, the collateral coverage ratio for the smallest members (less than $100 million in assets) was 464 percent, while the collateral coverage ratio for the largest members (greater than $10 billion in assets) was 170 percent.

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. Generally speaking, however, higher collateral coverage ratios are required for smaller members that tend to borrow under blanket pledge agreements. Larger members tend to have more sophisticated asset management systems and often provide additional information about the collateral necessary to obtain maximum borrowing capacity.

Subprime and Nontraditional Collateral

In the 2008 survey, we asked the FHLBanks to provide the amounts of subprime and nontraditional residential mortgage loans on which they rely to secure advances. We also asked them to provide amounts of collateral on which they rely to secure advances that consist of private-label MBS that are identified as subprime or Alt-A. Based on the totals reported, the FHLBanks held higher levels of nontraditional mortgage loan collateral than subprime mortgage loan collateral and higher levels of Alt-A private-label MBS/CMO collateral than subprime private-label MBS/CMO collateral. The following table provides specific information in this regard.[2]

Collateral Type	Percentage of Collateral Class	Percentage of Total Collateral
Subprime Mortgage Loans	8.2 (a)	6.1
Nontraditional Mortgage Loans	30.5 (a)	22.6
Mortgage Loans that are Both Subprime and Nontraditional	3.5 (a)	2.6
Private-label Subprime MBS/CMOs	2.1 (b)	0.2
Private-label Alt-A MBS/CMOs	32.8 (b)	3.1

(a) percentage of mortgage loan collateral; (b) percentage of private-label MBS/CMO collateral.

Subprime residential mortgage loan collateral ranged from a high of 19 percent of residential mortgage loan collateral at the FHLBank of Cincinnati to a low of less than one percent at the FHLBanks of Chicago, Dallas, Indianapolis, Topeka and Seattle. The

[2] Section 8 of this report provides additional details on subprime and nontraditional mortgage loan collateral that secures advances at the FHLBanks. Section 8 also discusses how the terms “subprime,” “nontraditional,” and “Alt-A” are used in the Collateral Data Survey.

FHLBanks of Atlanta, Des Moines, and San Francisco had subprime residential mortgage collateral that represented 11 percent of residential mortgage collateral. Nontraditional mortgage loans ranged from highs of 46 percent and 44 percent of residential mortgage loan collateral at the FHLBanks of San Francisco and Atlanta, respectively, to a low of less than one percent at the FHLBanks of Cincinnati, Chicago and Des Moines. Mortgage loans that are both subprime and nontraditional were six percent of residential mortgage loan collateral at the FHLBanks of Atlanta and San Francisco. Only two other FHLBanks (New York and Seattle) reported any amount of mortgage loan collateral with both those characteristics.

Note that the FHLBanks used their own categorizations of subprime and nontraditional mortgage loans when responding to the Collateral Data Survey. Additionally, the FHLBanks in most cases estimated the amounts they reported for subprime and nontraditional mortgage loans since actual data were often not available for all members. Thus, the varying reported levels of subprime and nontraditional mortgage loans in the collateral accepted at each FHLBank are a function of the ways in which the FHLBanks categorize and measure such exposures, in addition to actual differences in collateral pledged by members in each FHLBank district.

Subprime private-label MBS that secure advances represented 13 percent of total MBS collateral at the FHLBank of Topeka and 11 percent at FHLBank of Des Moines; the remaining FHLBanks reported little or no advance collateral of this type. Alt-A private-label MBS that secures advances represented 94 percent of total MBS collateral at the FHLB of Dallas, 74 percent at the FHLBank of Chicago, 43 percent at the FHLBank of New York, 33 percent at the FHLBank of Seattle, and 25 percent at the FHLBank of Atlanta. The remaining FHLBanks reported that Alt-A MBS that secure advances represents less than 25 percent of total MBS that secures advances.

Other Real Estate Related Collateral

ORERC represents 16 percent of total collateral at year-end 2007, compared to 10 percent at year-end 2006. All FHLBanks reported some amount of outstanding advances secured by ORERC. Commercial real estate loans represent 56 percent of System-wide ORERC at year-end 2007, compared to 62 percent of System-wide ORERC at year-end 2006. Eight FHLBanks (Atlanta, Cincinnati, Des Moines, Dallas, Indianapolis, Pittsburgh, Topeka and Seattle) did not provide information regarding the specific type of commercial real estate loans pledged, *e.g.,* office, retail, industrial, lodging, or mixed-use. Therefore, identifying the mix of commercial real estate loans accepted as collateral by those FHLBanks is not possible. In addition to commercial real estate loans, home equity lines of credit, residential second mortgage loans, and commercial mortgage-backed securities also represent significant ORERC types.

Community Financial Institution Collateral

The amount of CFI collateral securing advances doubled during 2007, but remained low at just 0.8 percent of total collateral. The FHLBanks reported $10.1 billion of CFI collateral securing advances at year-end 2007, up from $5.0 billion at year-end 2006. CFI related advances were $3.1 billion at year-end 2007, an increase of $963 million, or 46 percent, from prior year-end. CFI collateral is higher than CFI related advances due to the FHLBanks' considerably higher coverage requirements for CFI collateral types, *e.g.*, small business, farm or agri-business loans.

Eight FHLBanks (Pittsburgh, Indianapolis, Chicago, Des Moines, Dallas, Topeka, San Francisco and Seattle) report advances secured by CFI collateral. The FHLBank of San Francisco led the System with $4.6 billion of CFI collateral (45 percent of System-wide CFI collateral), followed by $3 billion at the FHLBank of Dallas (30 percent), and $1.9 billion at the FHLB of Topeka (19 percent). The remaining five FHLBanks that accept CFI collateral have a combined total of $588 million, or six percent of the System-wide total. The FHLBank of San Francisco reported only $224 million of CFI collateral at year-end 2006.

Four FHLBanks (Atlanta, Boston, Cincinnati and New York) reported no CFI collateral at year-end 2007. While the boards of all of the FHLBanks have approved acceptance of CFI collateral, the FHLBanks of New York and Atlanta have not submitted new business activity notices requesting approval to accept CFI collateral.

The FHLBanks reported that CFI members have unutilized CFI collateral totaling $146.4 billion, led by the FHLBank of Des Moines with $72.5 billion of unutilized CFI collateral. (The FHLBanks of Atlanta and New York did not provide estimates of unutilized CFI collateral.) Extrapolating a System-wide average CFI collateral coverage requirement of about 220 percent would suggest the potential for new CFI collateral supported advances of approximately $67 billion. A number of FHLBanks may have overstated their members' unutilized CFI collateral, however, as they rely on FFIEC Call Report data to estimate unutilized CFI collateral, even though such data do not specifically identify assets that qualify as CFI collateral. To our knowledge, only a few FHLBanks have asked CFI members to submit the information needed to adjust the Call Report data and calculate a more precise estimate.

Insurance Company Members

There were 151 insurance company members at year-end 2007, of which 52 had outstanding advances. Advances to insurance company members doubled from $14.2 billion at year-end 2006 to $28.7 billion at year-end 2007. While just three percent of total advances System-wide, advances to insurance companies represented 25 percent of advances at the FHLBank of Des Moines, 22 percent of advances at the FHLBank of Topeka, and 11 percent of advances at the FHLBank of Indianapolis. The FHLBanks of Pittsburgh, San Francisco, and Seattle reported no outstanding advances to insurance company members.

In general, the FHLBanks require insurance company members to deliver collateral. The collateral-to-advances coverage ratio for insurance companies across the System is the lowest of any member type: 120 percent, as compared to 152 percent for all members.

The lower coverage ratio results from the fact that most collateral securing advances to insurance companies is delivered securities.[3] The following table displays the distribution of collateral securing advances to insurance companies at year-end 2007:

Collateral Type	Percentage of Collateral 2007	Percentage of Collateral 2006
Private-label MBS/CMOs	43	47*
U.S. agency MBS/CMOs	23	
ORERC	19	24
Single-family whole loans	13	17
Other securities and deposits	2	12

*The 2006 Collateral Data Survey did not separate private-label and U.S. agency MBS/CMOs.

Original Maturity of Advances

At year-end 2007, the majority of advances to all members across the System had a term of 24 months or more based on original maturity. The maturity distribution remains largely unchanged from year-end 2006. This observation did not hold for all FHLBanks, however. At the FHLBanks of Des Moines, Pittsburgh and Topeka, for example, members preferred short-term advances (less than six months), while members at the FHLBanks of Seattle and San Francisco preferred medium-term financing (6 to 24 months). See Section 9 of this report for additional information on the original maturity of advances.

[3] In general, an FHLBank can more easily and accurately determine the value of securities collateral than other forms of collateral, reducing the need for higher coverage levels due to less precise valuation estimates. Additionally, an FHLBank has greater control over collateral in delivery status.

3. Collateral by Type – Seven Year Review

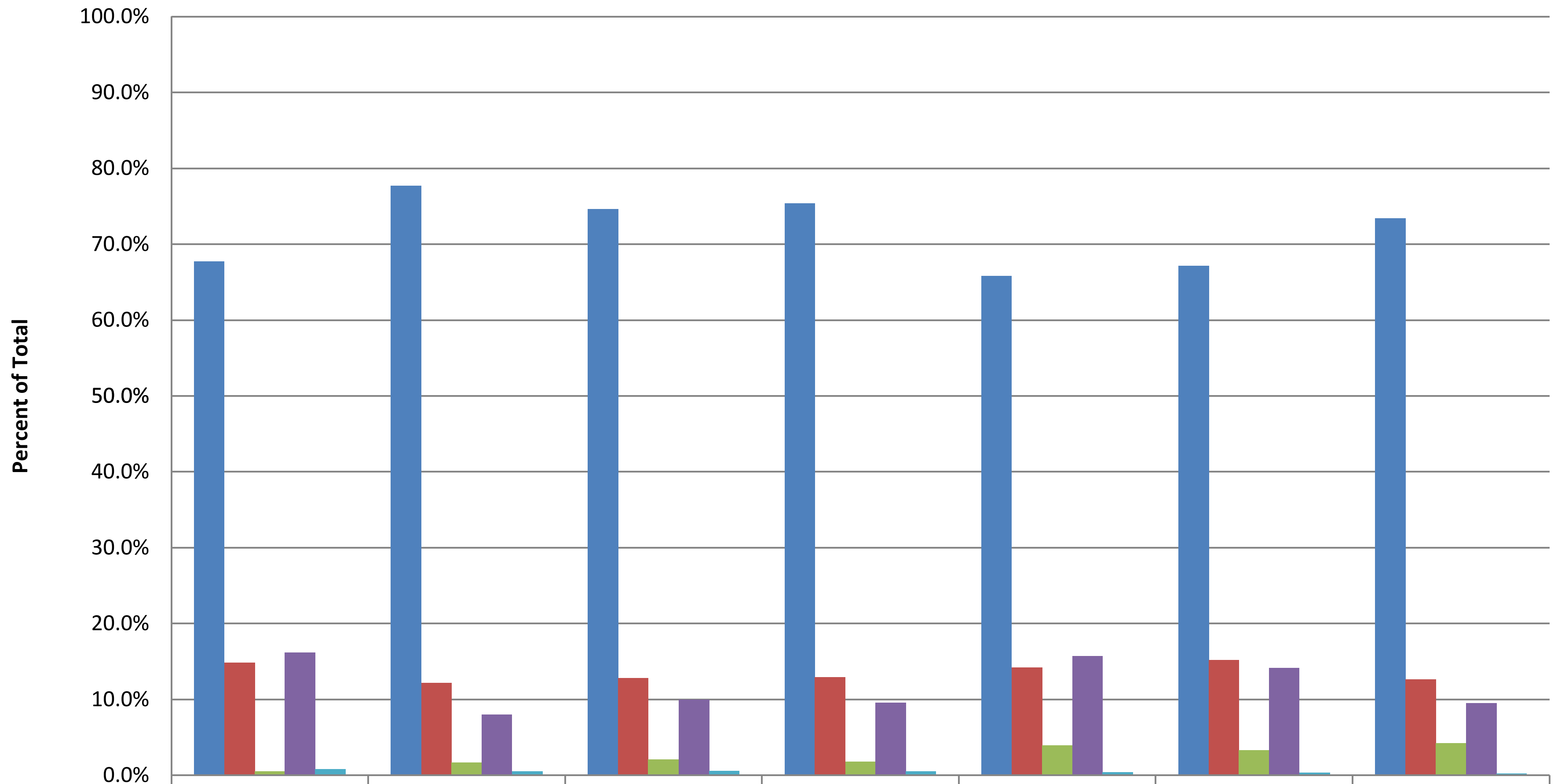
The following graphs report data on the types of collateral that secured advances over the past seven years at the System and FHLBank level. There are five categories: whole mortgage loans, MBS/CMOs, other securities and deposits (includes U.S. Treasury and non-MBS/CMO agency securities and deposits in FHLBanks), other real estate related collateral (ORERC), and Community Financial Institution (CFI) designated collateral.

System-wide, the percentage of whole mortgage loan collateral to total collateral securing advances declined from the previous year by ten percentage points, but whole-loan residential mortgages still represent the majority of collateral securing advances (68 percent). Following in descending order is ORERC (16 percent), MBS/CMOs (15 percent), CFI collateral (0.8 percent), and other securities and deposits (0.5 percent). While the graphs combine private-label and U.S. agency MBS/CMO in one category, the data from the Collateral Data Survey show that private-label MBS/CMOs were 9.4 percent of total collateral securing advances and U.S. agency MBS/CMOs were 5.4 percent.

FHLBanks rely heavily on whole-loan residential mortgages for collateral for advances. Since 2004, the collateral mix at the FHLBank of Pittsburgh has, in fact, shifted significantly toward whole mortgage loans and away from a more evenly distributed collateral mix. Conversely, the FHLBanks of Des Moines, Dallas, Topeka, and Seattle have seen relative increases in the non-whole-loan collateral categories, particularly in the MBS/CMO categories.

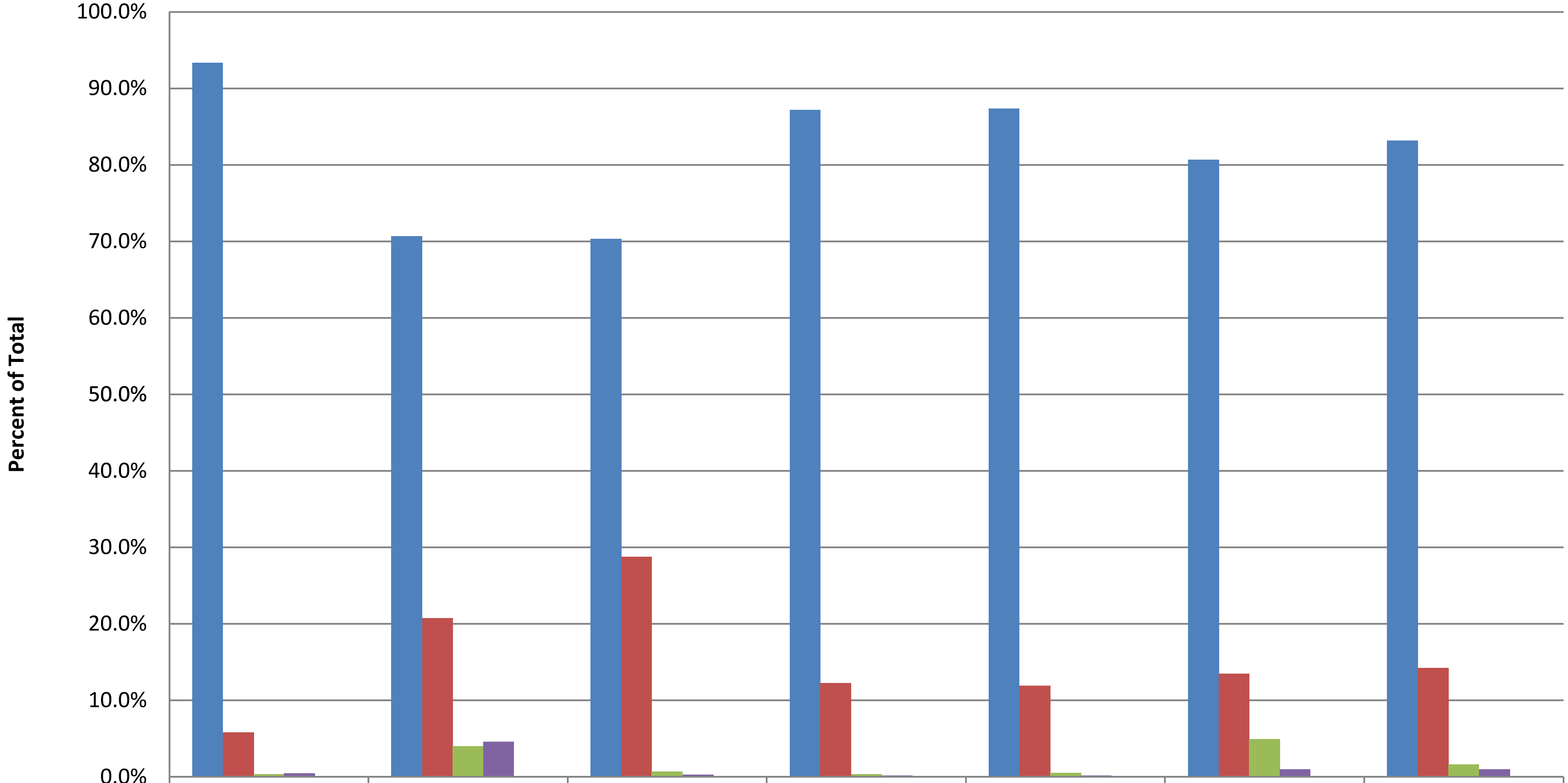
Please see the graphs for more specific information.

System Collateral Securing Advances
2001 Thru 2007



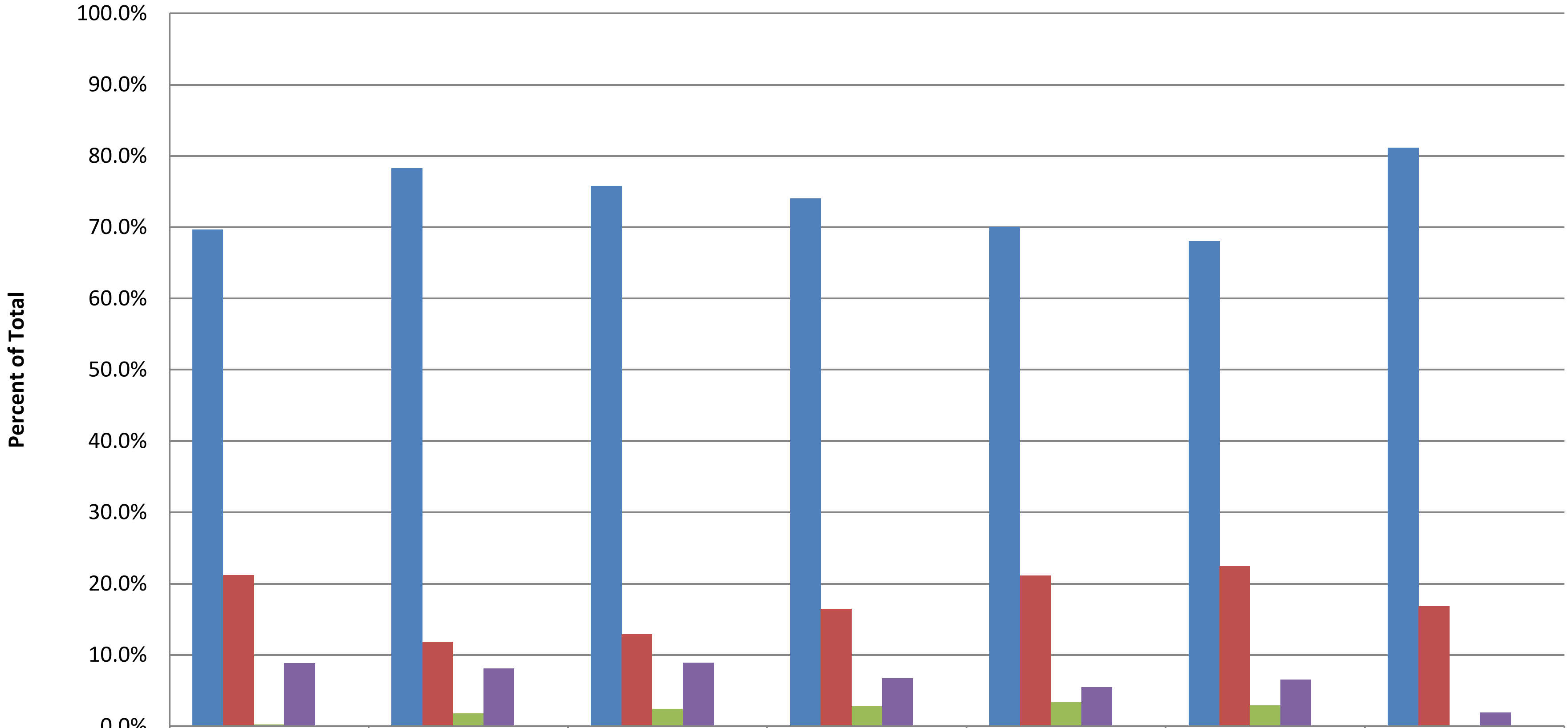
	2007	2006	2005	2004	2003	2002	2001
Whole Loans	67.7%	77.7%	74.6%	75.3%	65.8%	67.1%	73.4%
MBS/CMO	14.9%	12.1%	12.8%	12.9%	14.2%	15.1%	12.6%
Securities	0.5%	1.6%	2.0%	1.8%	3.9%	3.3%	4.2%
ORERC	16.2%	8.0%	10.0%	9.5%	15.7%	14.1%	9.5%
CFI	0.8%	0.5%	0.6%	0.5%	0.4%	0.3%	0.2%

Boston Collateral Securing Advances
2001 Thru 2007



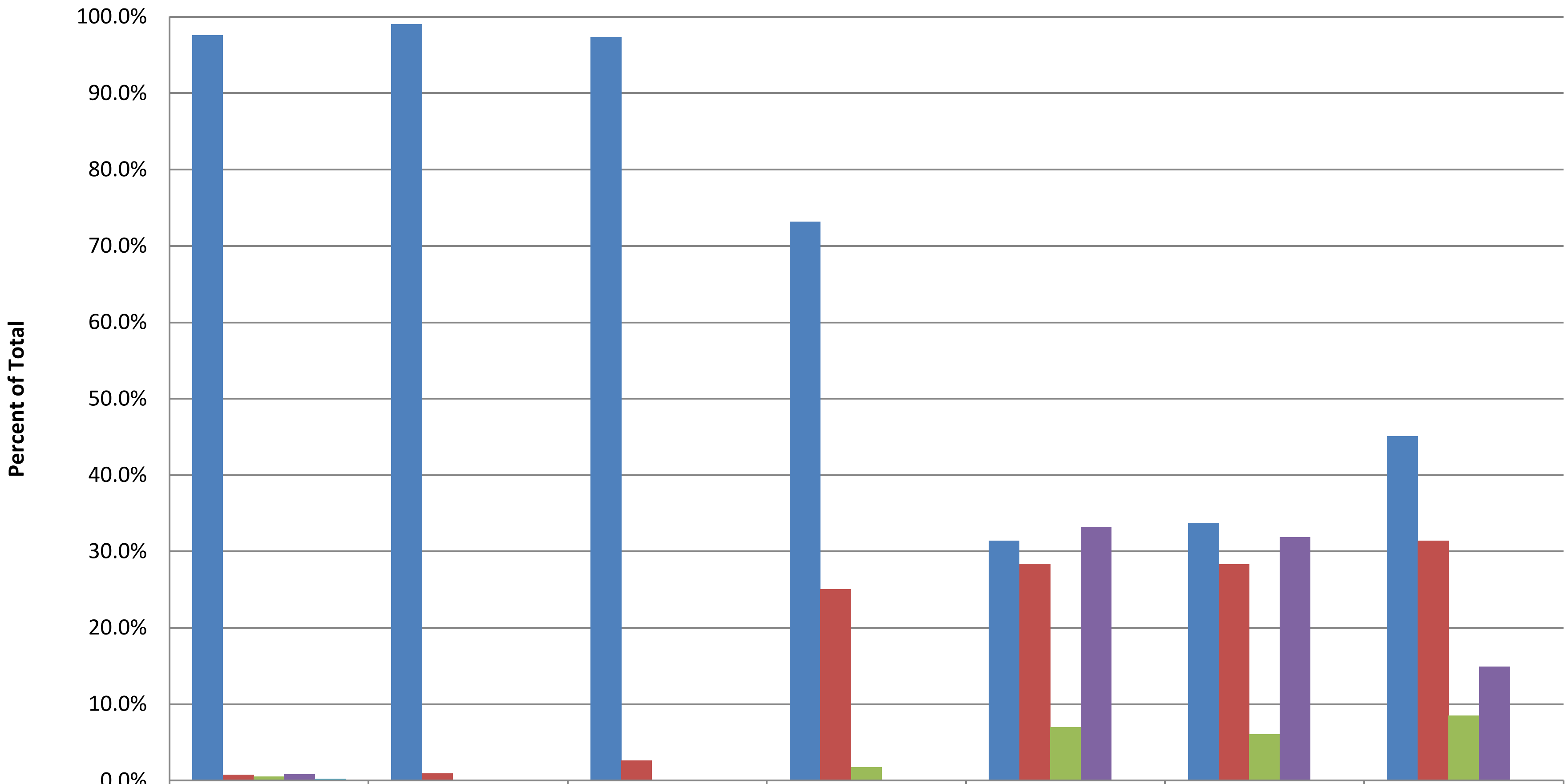
	2007	2006	2005	2004	2003	2002	2001
Whole Loans	93.4%	70.7%	70.3%	87.2%	87.4%	80.7%	83.2%
MBS/CMO	5.8%	20.7%	28.8%	12.2%	11.9%	13.5%	14.2%
Securities	0.3%	4.0%	0.7%	0.4%	0.5%	4.9%	1.6%
ORERC	0.5%	4.6%	0.3%	0.2%	0.2%	1.0%	1.0%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

New York Collateral Securing Advances
2001 Thru 2007



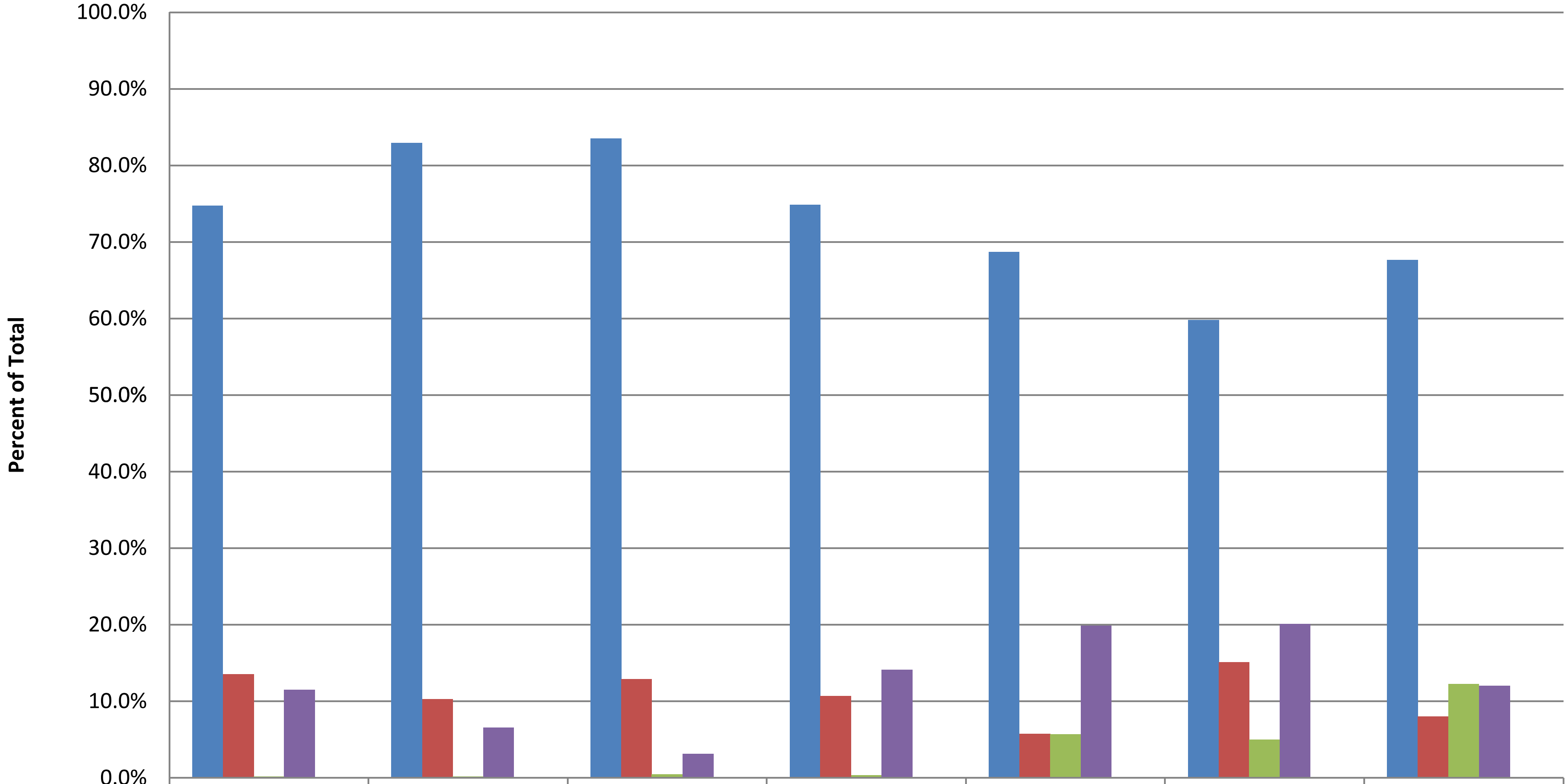
	2007	2006	2005	2004	2003	2002	2001
Whole Loans	69.7%	78.3%	75.8%	74.0%	70.0%	68.0%	81.1%
MBS/CMO	21.2%	11.8%	12.9%	16.5%	21.1%	22.5%	16.8%
Securities	0.2%	1.8%	2.4%	2.8%	3.4%	2.9%	0.1%
ORERC	8.9%	8.1%	8.9%	6.7%	5.5%	6.6%	1.9%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Pittsburgh Collateral Securing Advances
2001 Thru 2007



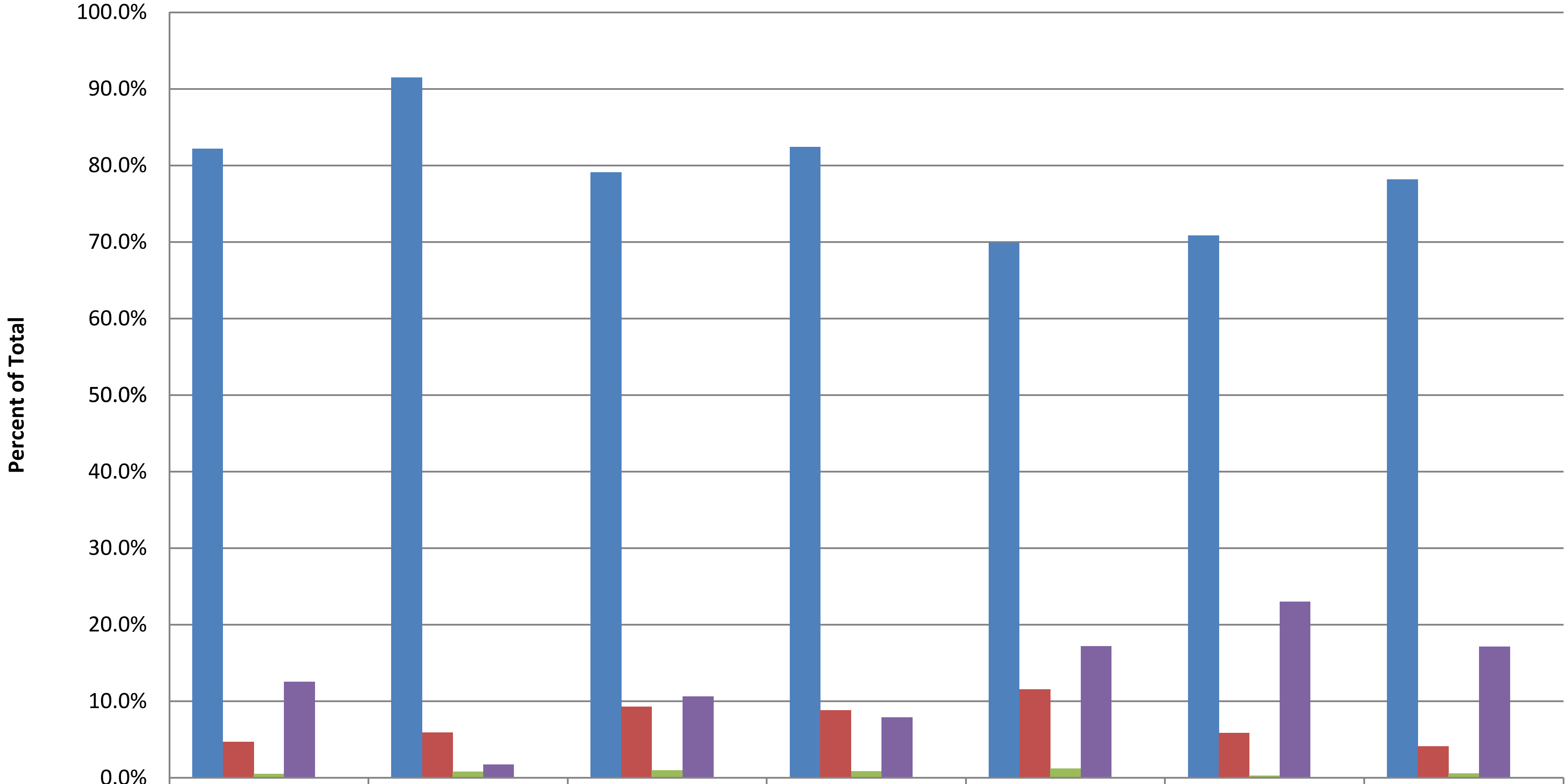
	2007	2006	2005	2004	2003	2002	2001
Whole Loans	97.6%	99.0%	97.3%	73.2%	31.4%	33.7%	45.1%
MBS/CMO	0.7%	1.0%	2.6%	25.1%	28.4%	28.3%	31.4%
Securities	0.5%	0.0%	0.0%	1.8%	7.0%	6.1%	8.5%
ORERC	0.8%	0.0%	0.0%	0.0%	33.2%	31.9%	14.9%
CFI	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Atlanta Collateral Securing Advances
2001 Thru 2007



	2007	2006	2005	2004	2003	2002	2001
Whole Loans	74.7%	83.0%	83.5%	74.8%	68.7%	59.8%	67.7%
MBS/CMO	13.6%	10.3%	12.9%	10.7%	5.8%	15.1%	8.0%
Securities	0.2%	0.2%	0.5%	0.4%	5.7%	5.0%	12.3%
ORERC	11.5%	6.5%	3.2%	14.1%	19.9%	20.1%	12.0%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

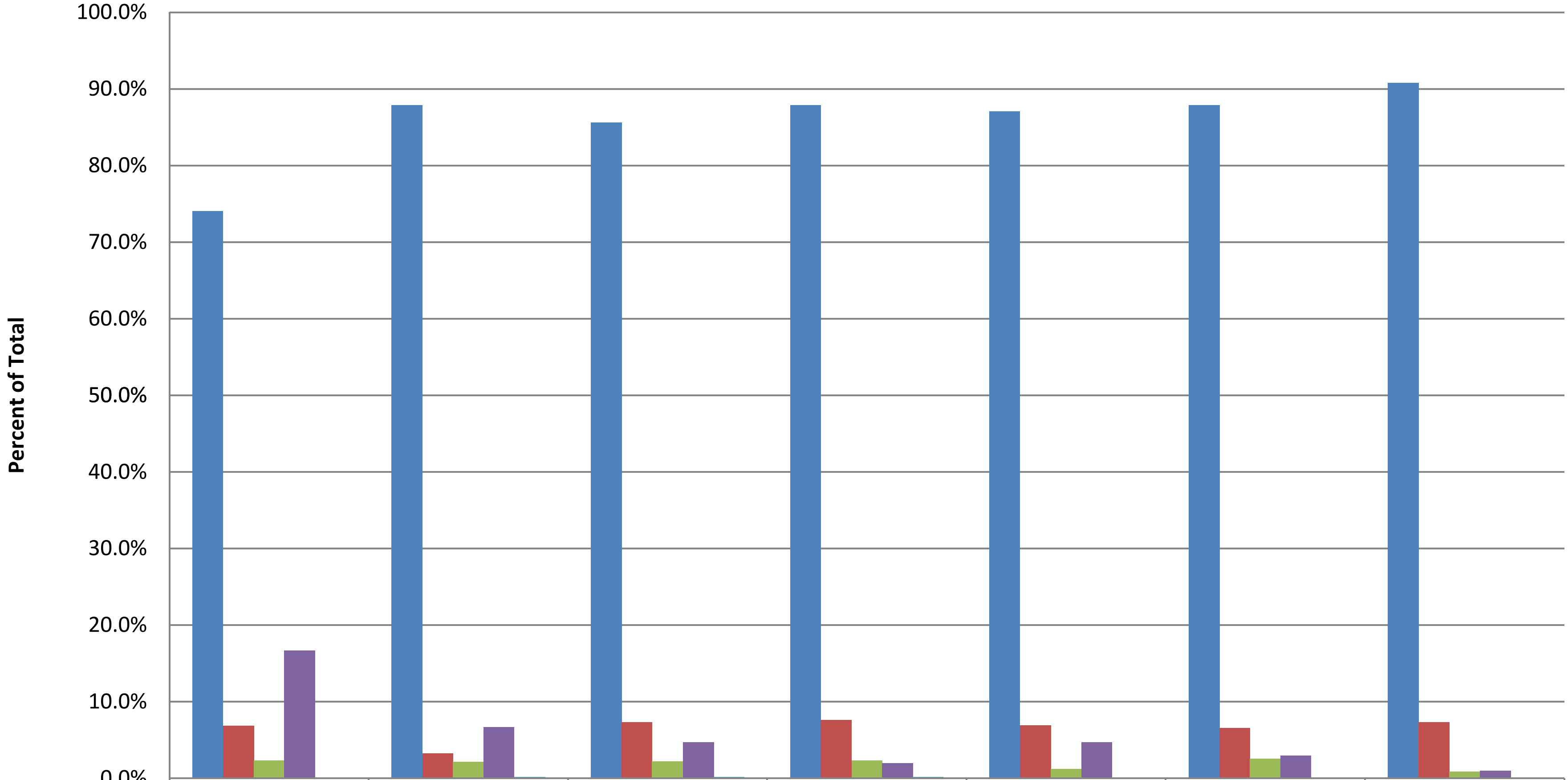
Cincinnati Collateral Securing Advances
2001 Thru 2007



	2007	2006	2005	2004	2003	2002	2001
Whole Loans	82.2%	91.5%	79.1%	82.4%	69.9%	70.8%	78.2%
MBS/CMO	4.7%	5.9%	9.3%	8.8%	11.6%	5.9%	4.1%
Securities	0.5%	0.8%	1.0%	0.9%	1.2%	0.3%	0.5%
ORERC	12.6%	1.7%	10.6%	7.9%	17.2%	23.0%	17.2%
CFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

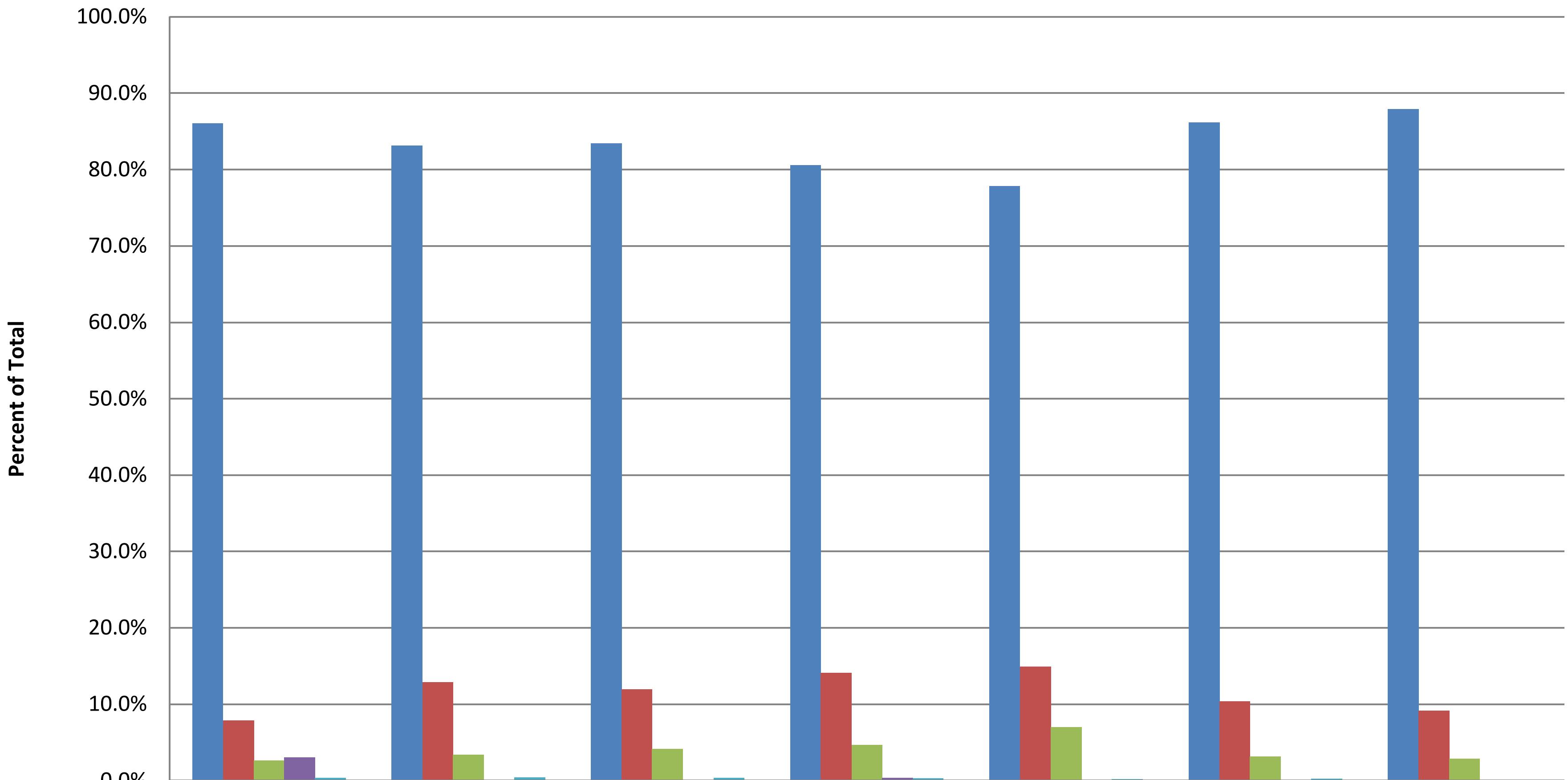
Graph 3.7

Indianapolis Collateral Securing Advances
2001 Thru 2007

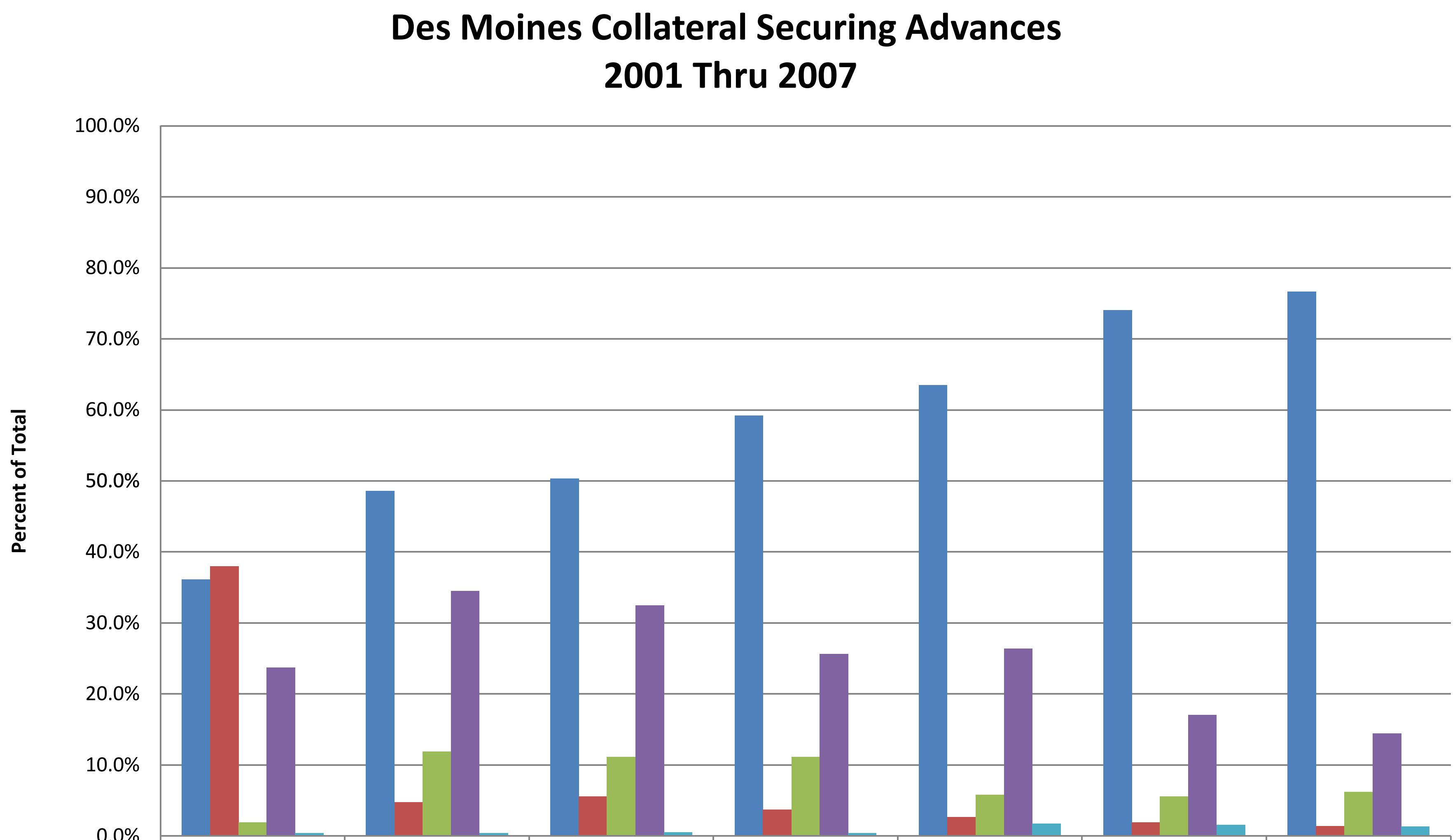


	2007	2006	2005	2004	2003	2002	2001
Whole Loans	74.1%	87.9%	85.6%	87.9%	87.1%	87.9%	90.8%
MBS/CMO	6.9%	3.3%	7.3%	7.6%	6.9%	6.6%	7.3%
Securities	2.3%	2.1%	2.2%	2.3%	1.2%	2.5%	0.9%
ORERC	16.7%	6.6%	4.7%	2.0%	4.7%	2.9%	1.0%
CFI	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.0%

Chicago Collateral Securing Advances
2001 Thru 2007

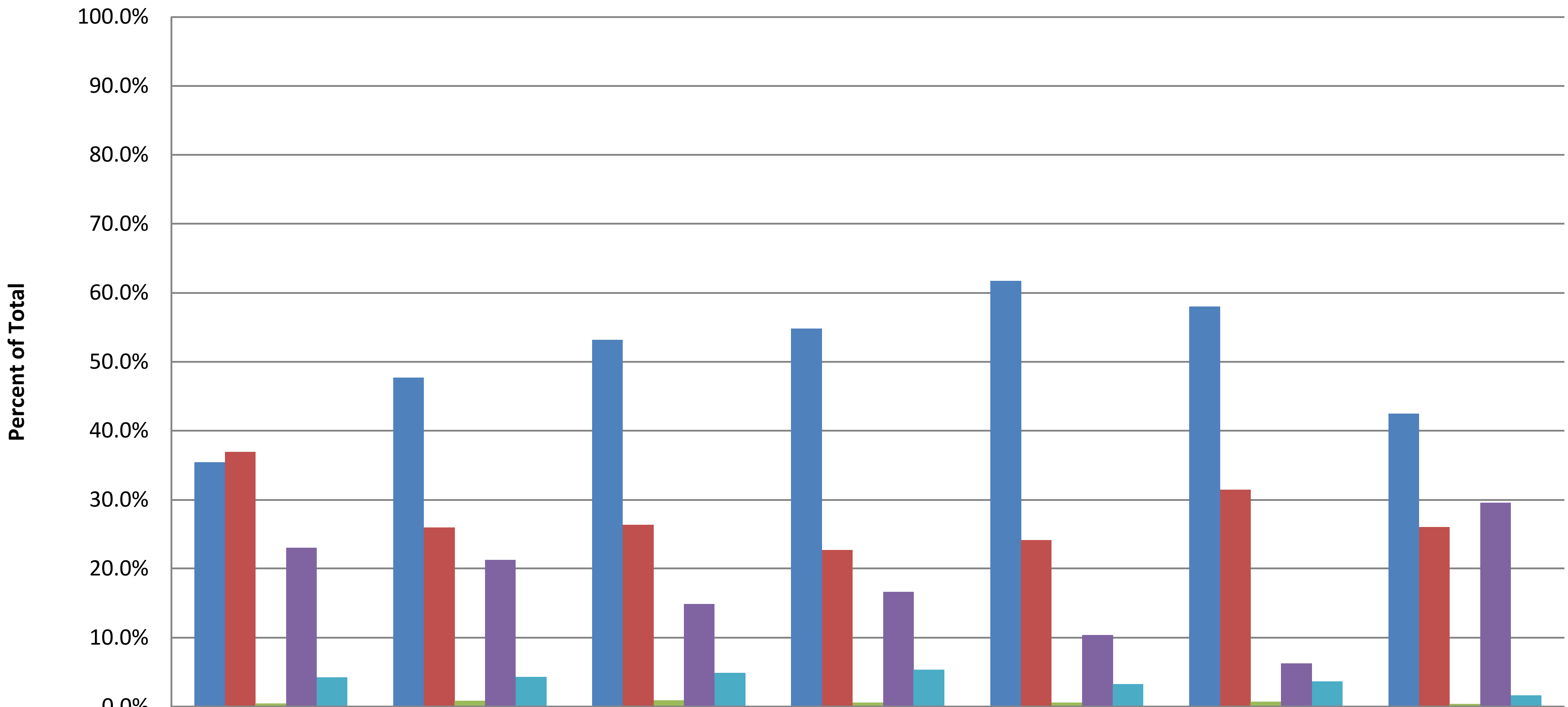


	2007	2006	2005	2004	2003	2002	2001
Whole Loans	86.1%	83.1%	83.4%	80.6%	77.8%	86.2%	87.9%
MBS/CMO	7.9%	12.9%	11.9%	14.1%	14.9%	10.4%	9.2%
Securities	2.7%	3.4%	4.1%	4.7%	7.0%	3.2%	2.9%
ORERC	3.0%	0.1%	0.1%	0.3%	0.0%	0.0%	0.0%
CFI	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.0%



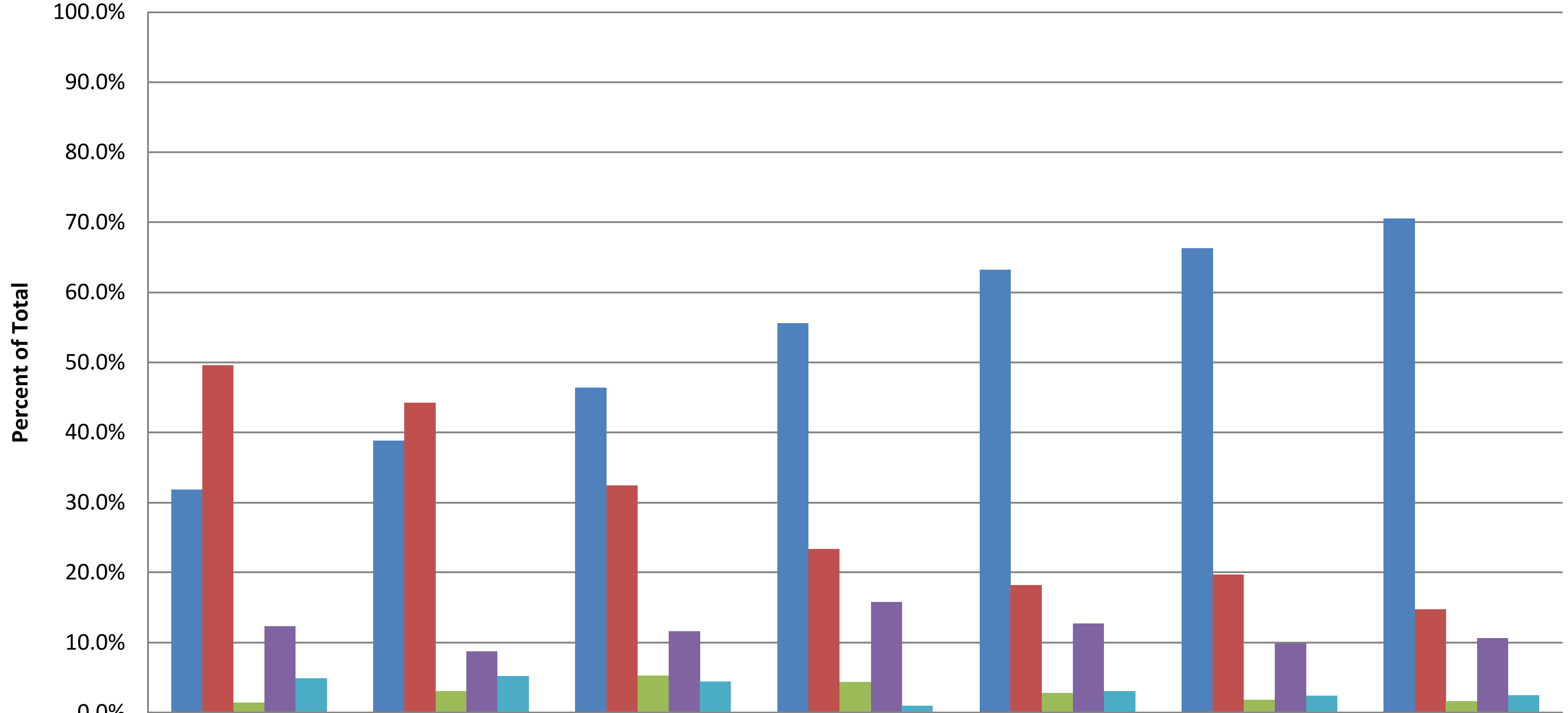
	2007	2006	2005	2004	2003	2002	2001
Whole Loans	36.1%	48.6%	50.3%	59.2%	63.5%	74.0%	76.7%
MBS/CMO	37.9%	4.7%	5.6%	3.7%	2.6%	1.9%	1.4%
Securities	1.9%	11.9%	11.1%	11.1%	5.8%	5.5%	6.2%
ORERC	23.7%	34.5%	32.5%	25.6%	26.4%	17.0%	14.4%
CFI	0.4%	0.4%	0.5%	0.4%	1.7%	1.5%	1.4%

Dallas Collateral Securing Advances
2001 Thru 2007

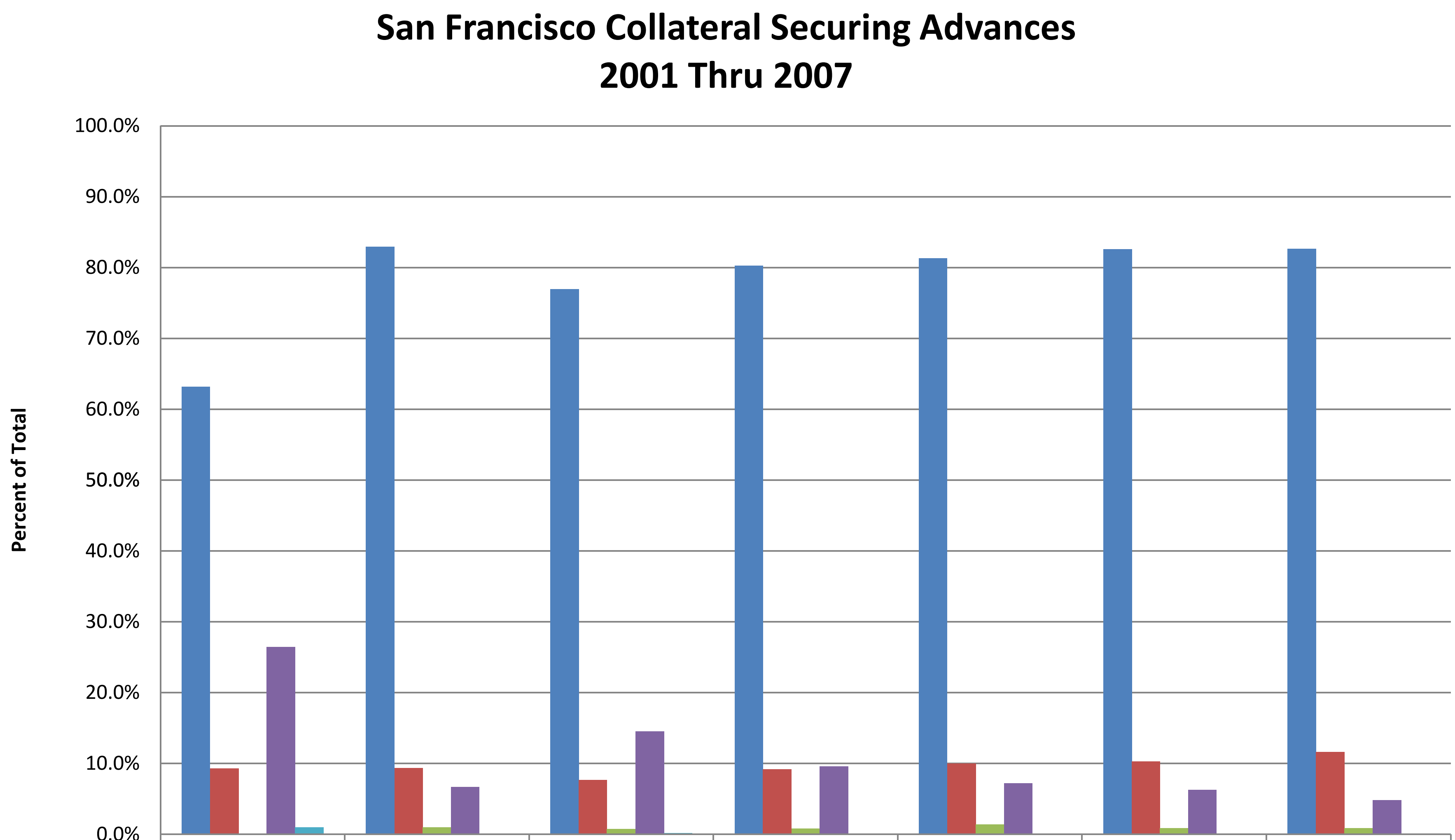


	2007	2006	2005	2004	2003	2002	2001
Whole Loans	35.4%	47.7%	53.1%	54.8%	61.7%	58.0%	42.5%
MBS/CMO	36.9%	25.9%	26.3%	22.7%	24.1%	31.5%	26.0%
Securities	0.4%	0.8%	0.9%	0.5%	0.6%	0.7%	0.4%
ORERC	23.0%	21.3%	14.8%	16.6%	10.4%	6.3%	29.5%
CFI	4.2%	4.3%	4.9%	5.3%	3.2%	3.6%	1.6%

Topeka Collateral Securing Advances
2001 Thru 2007

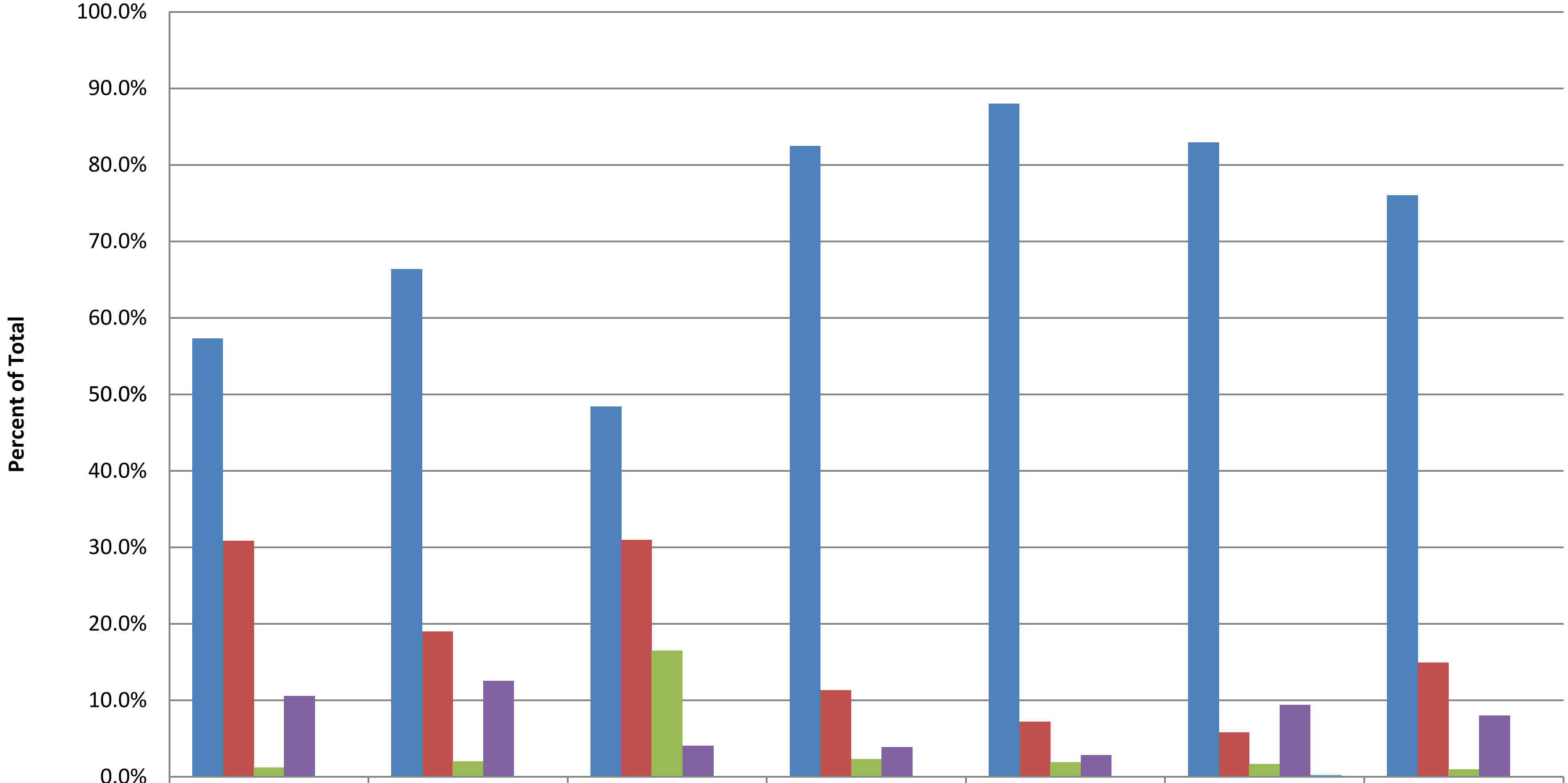


	2007	2006	2005	2004	2003	2002	2001
Whole Loans	31.8%	38.8%	46.4%	55.6%	63.2%	66.3%	70.5%
MBS/CMO	49.6%	44.3%	32.4%	23.4%	18.2%	19.7%	14.7%
Securities	1.4%	3.1%	5.3%	4.4%	2.8%	1.8%	1.6%
ORERC	12.3%	8.7%	11.6%	15.8%	12.7%	9.9%	10.6%
CFI	4.9%	5.2%	4.4%	0.9%	3.1%	2.4%	2.5%



	2007	2006	2005	2004	2003	2002	2001
Whole Loans	63.2%	82.9%	76.9%	80.3%	81.3%	82.6%	82.7%
MBS/CMO	9.3%	9.3%	7.7%	9.2%	10.0%	10.3%	11.6%
Securities	0.0%	1.0%	0.7%	0.8%	1.4%	0.9%	0.9%
ORERC	26.4%	6.7%	14.5%	9.6%	7.2%	6.3%	4.8%
CFI	1.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%

Seattle Collateral Securing Advances
2001 Thru 2007



	2007	2006	2005	2004	2003	2002	2001
Whole Loans	57.3%	66.4%	48.4%	82.5%	88.0%	82.9%	76.0%
MBS/CMO	30.9%	19.0%	31.0%	11.3%	7.2%	5.8%	14.9%
Securities	1.2%	2.0%	16.5%	2.3%	1.9%	1.7%	1.0%
ORERC	10.6%	12.6%	4.1%	3.9%	2.8%	9.4%	8.0%
CFI	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.1%

4. Collateral Coverage by Member Asset Size

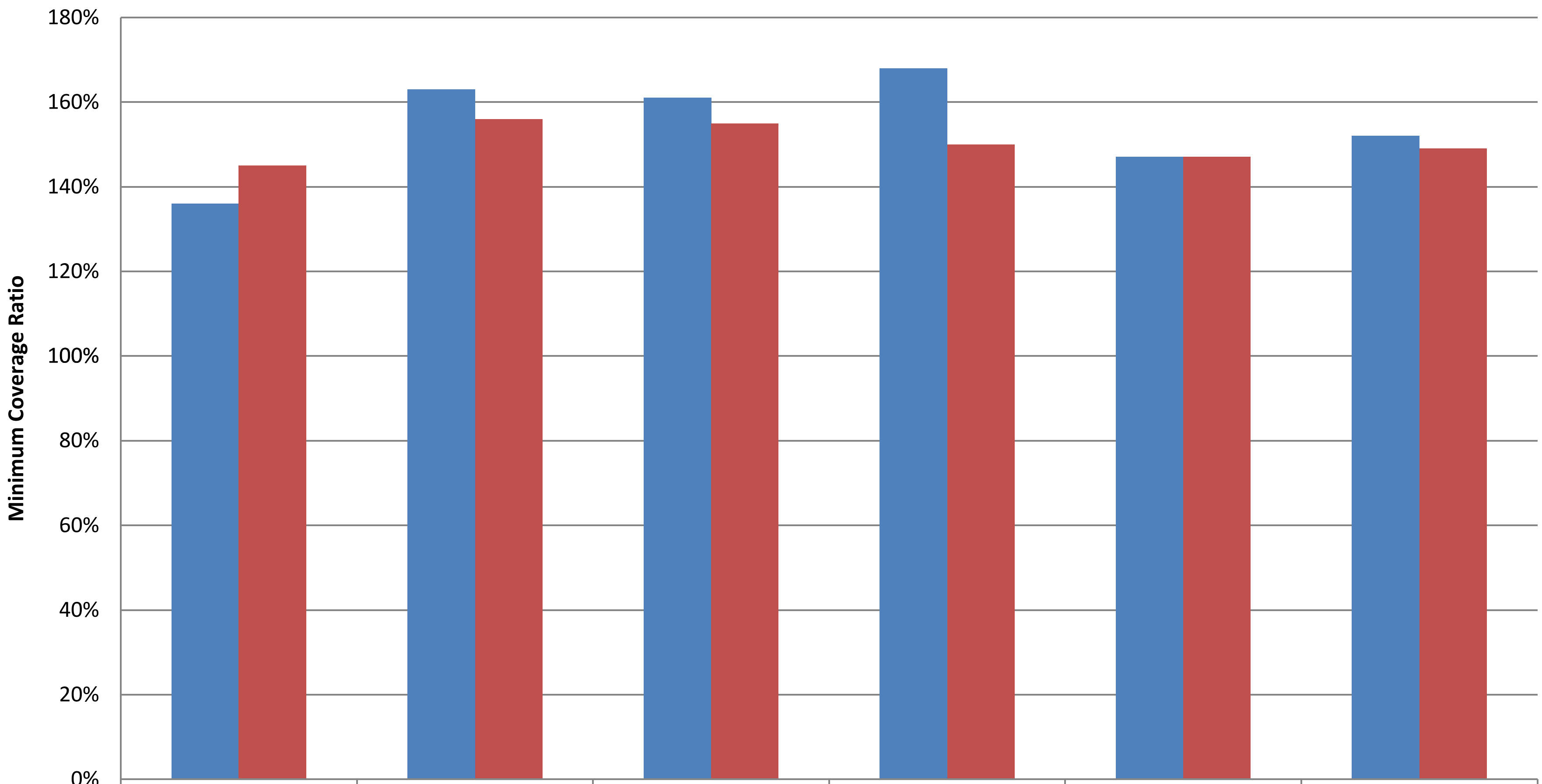
FHLBanks report collateral securing advances according to five member asset size categories: less than $100 million in assets; greater than $100 million but less than $599 million in assets ($599 million was the cut-off for CFI designated commercial bank and thrift members for 2007); greater than $599 million to $1 billion in assets; greater than $1 billion to $10 billion in assets; and greater than $10 billion in assets. The System graph and twelve individual FHLBank graphs illustrate advance collateralization ratios by groups based on member asset size.

The System-wide average minimum collateral-to-advances coverage ratio is 152 percent for year-end 2007, a three percentage point increase from year-end 2006. Seven FHLBanks reported increases in their coverage ratios, four reported decreases and the FHLBank of Atlanta's coverage ratio remained constant. The coverage ratios ranged from a high of 183 percent at the FHLBank of San Francisco to a low of 122 percent at the FHLBank of Topeka.

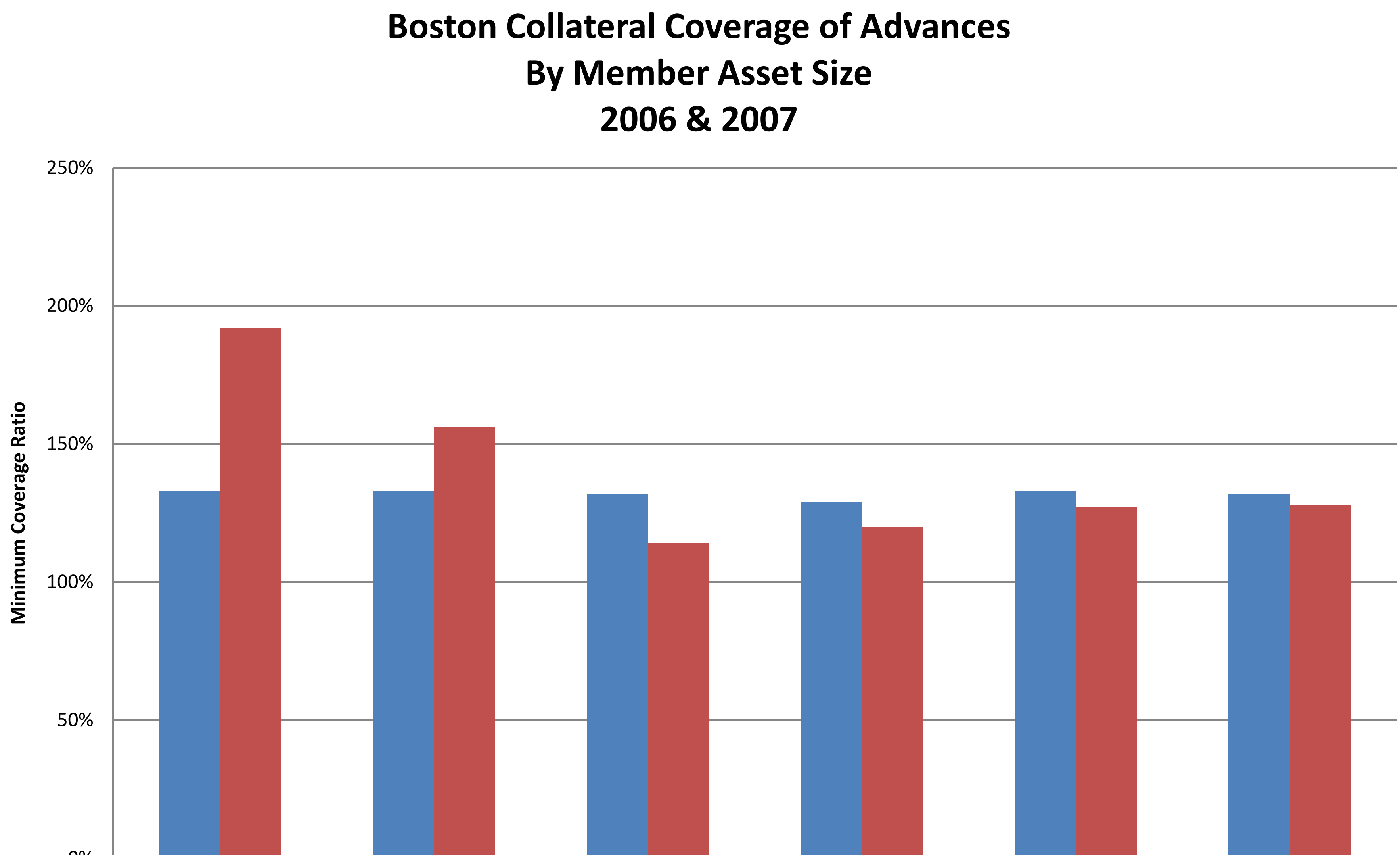
At the System level, collateral coverage ratios were generally similar across member asset size categories. At the FHLBank level, the survey data do not indicate any strong pattern for coverage by member asset size, with the possible exception that certain FHLBanks report somewhat lower coverage ratios for larger members and somewhat higher coverage ratios for smaller members.

Graph 4.1

System Collateral Coverage of Advances
By Member Asset Size
2006 & 2007

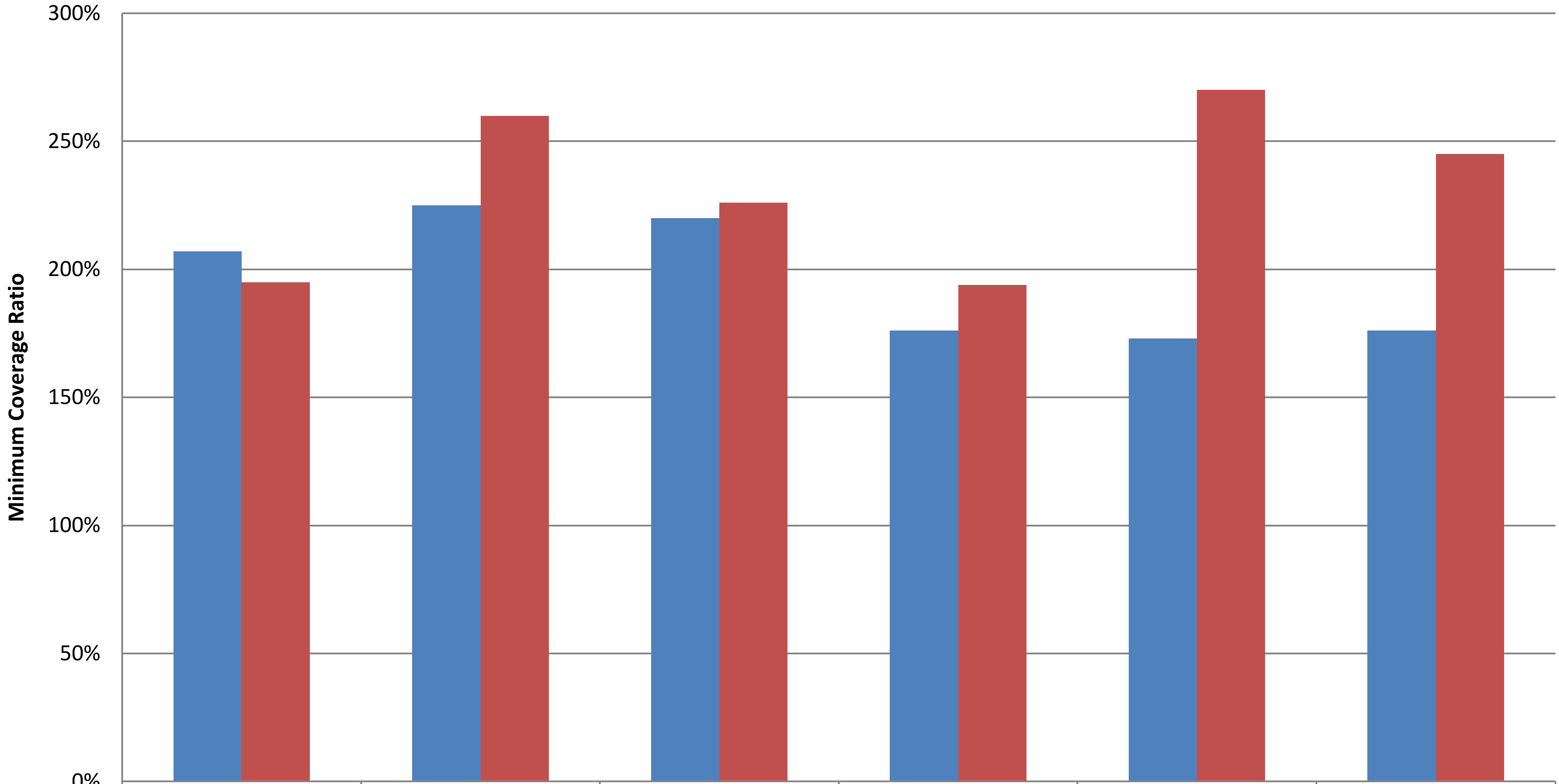


	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	136%	163%	161%	168%	147%	152%
2006	145%	156%	155%	150%	147%	149%



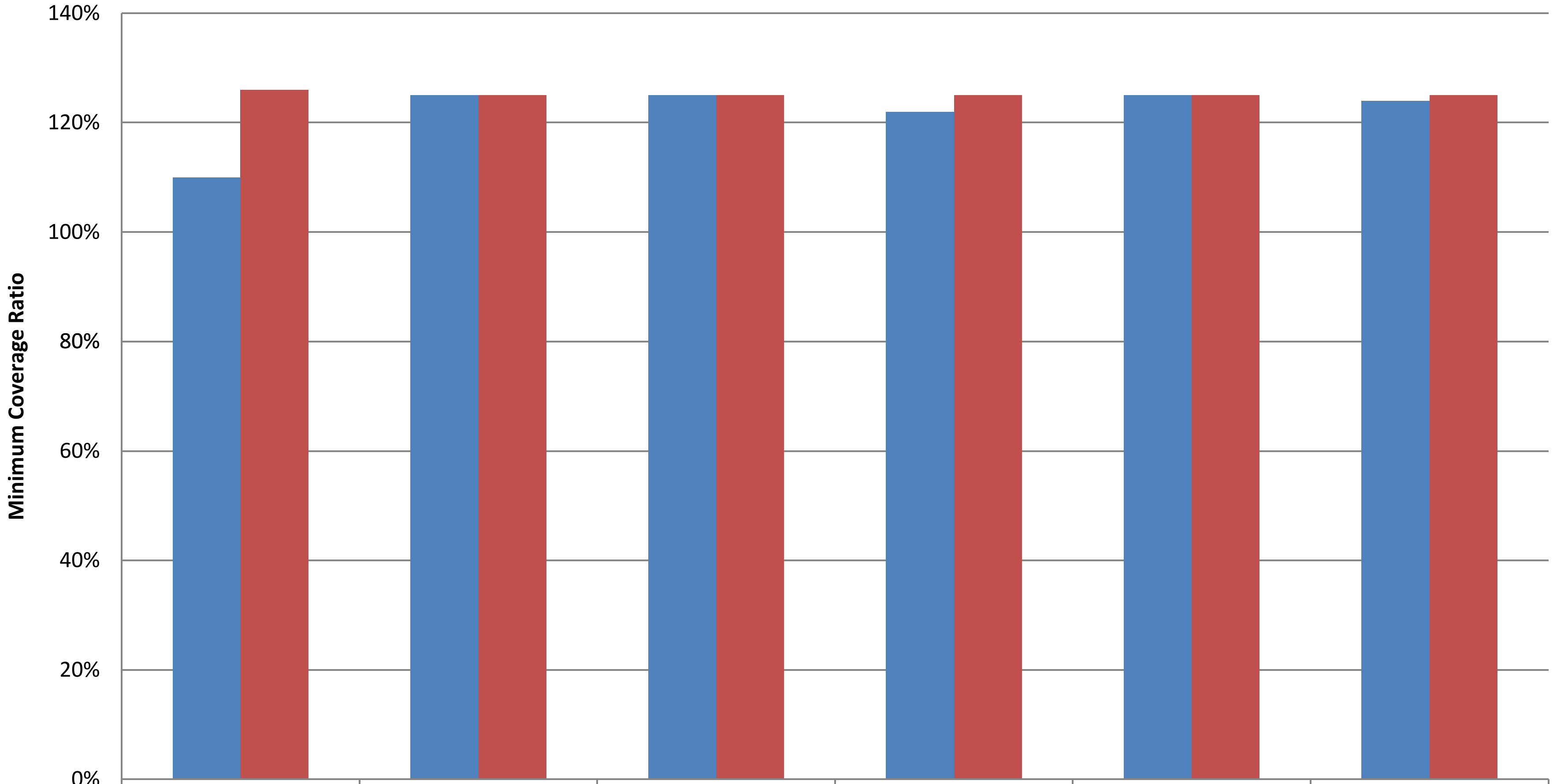
	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	133%	133%	132%	129%	133%	132%
2006	192%	156%	114%	120%	127%	128%

New York Collateral Coverage of Advances By Member Asset Size 2006 & 2007



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	207%	225%	220%	176%	173%	176%
2006	195%	260%	226%	194%	270%	245%

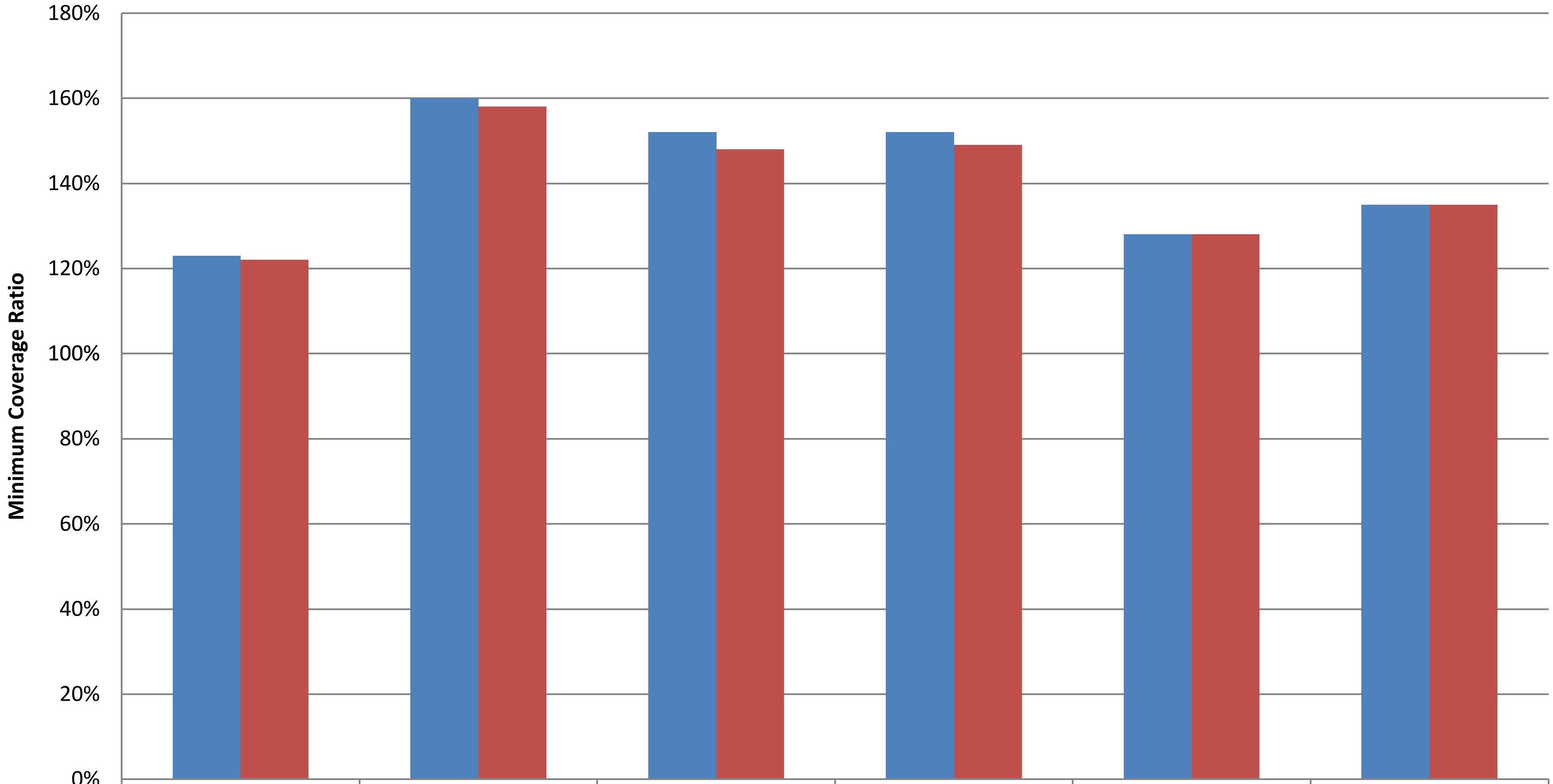
Pittsburgh Collateral Coverage of Advances
By Member Asset Size
2006 & 2007



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	110%	125%	125%	122%	125%	124%
2006	126%	125%	125%	125%	125%	125%

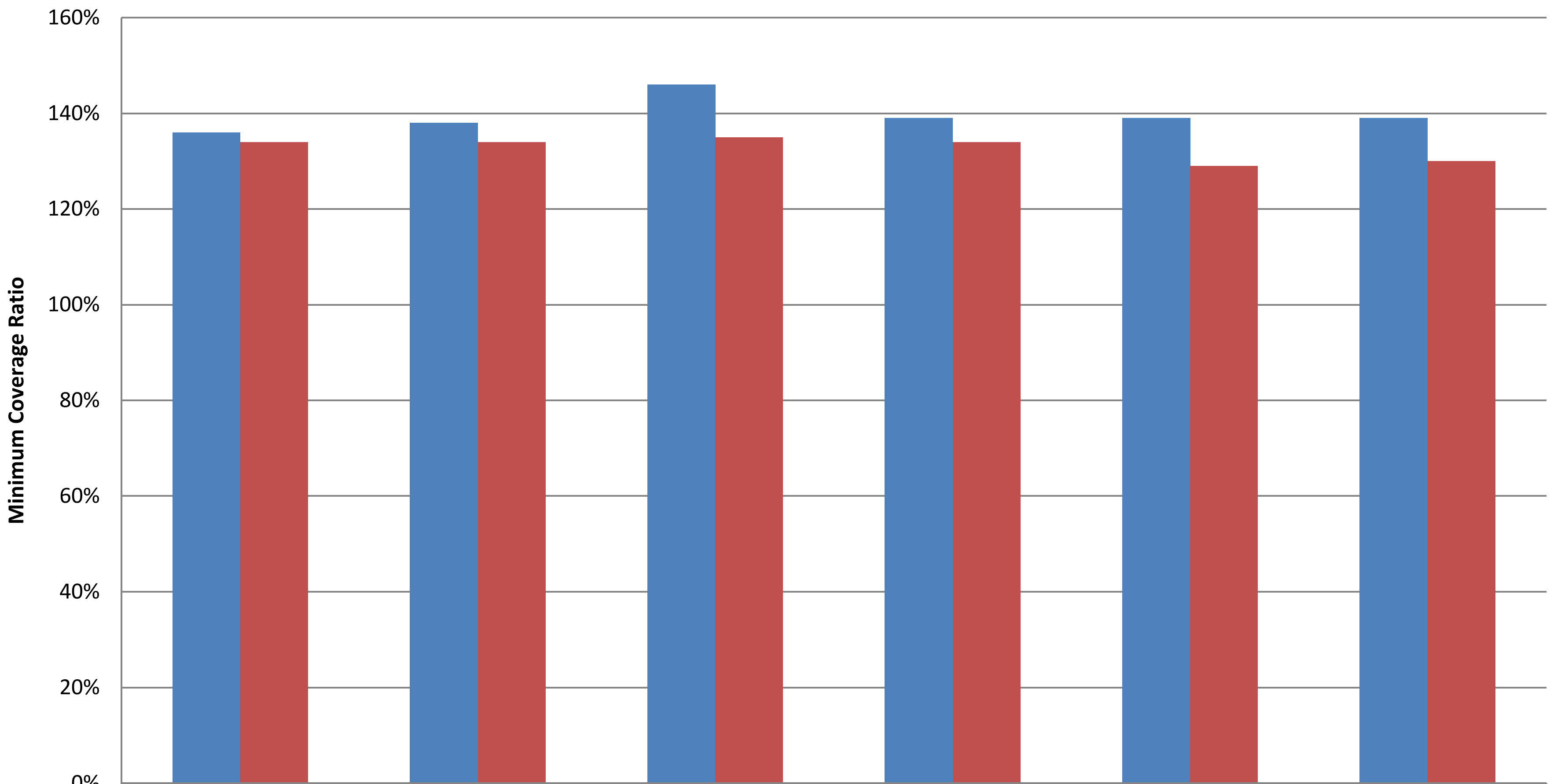
Graph 4.5

Atlanta Collateral Coverage of Advances
By Member Asset Size
2006 & 2007



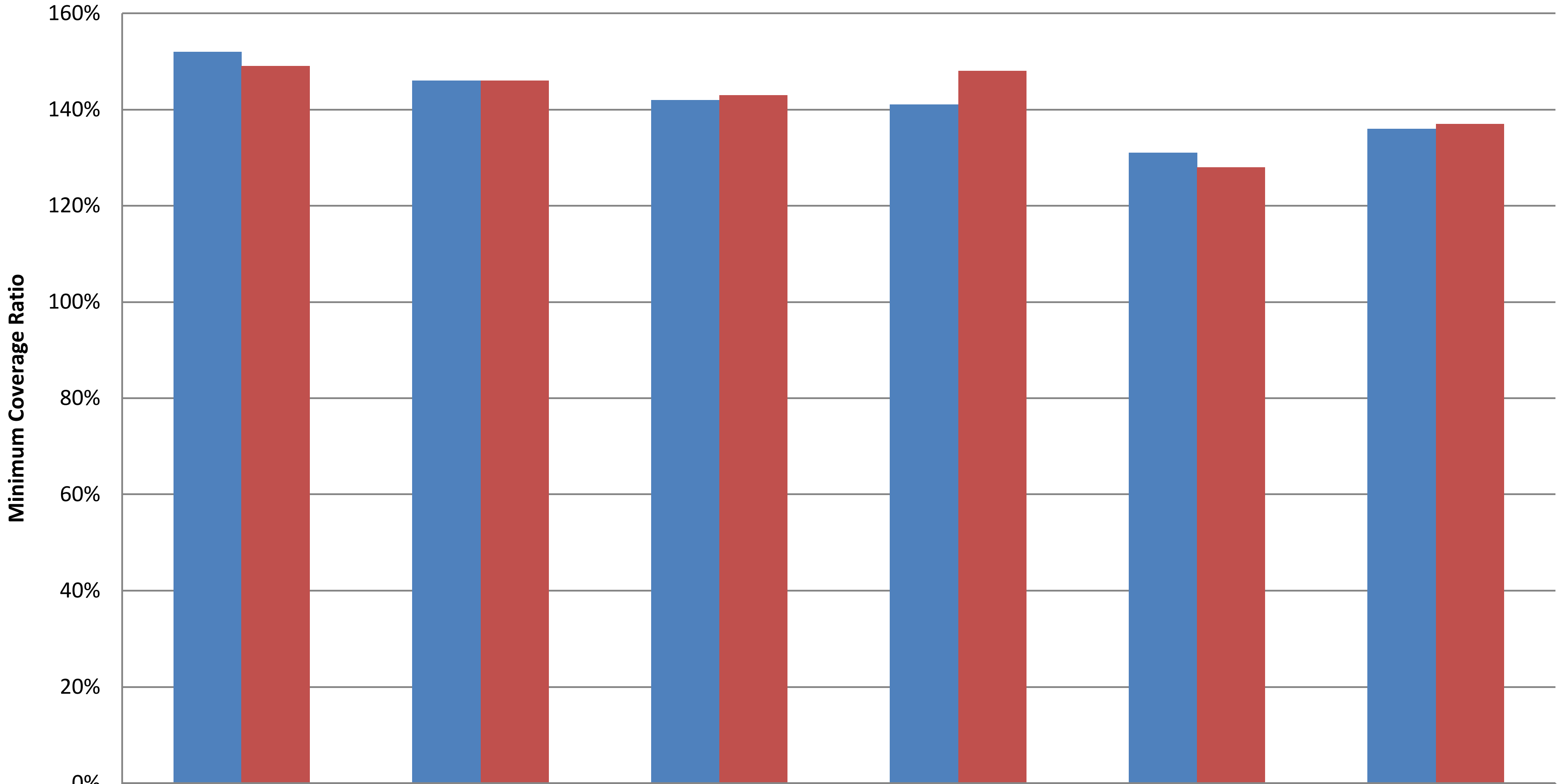
	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	123%	160%	152%	152%	128%	135%
2006	122%	158%	148%	149%	128%	135%

Cincinnati Collateral Coverage of Advances
By Member Asset Size
2006 & 2007

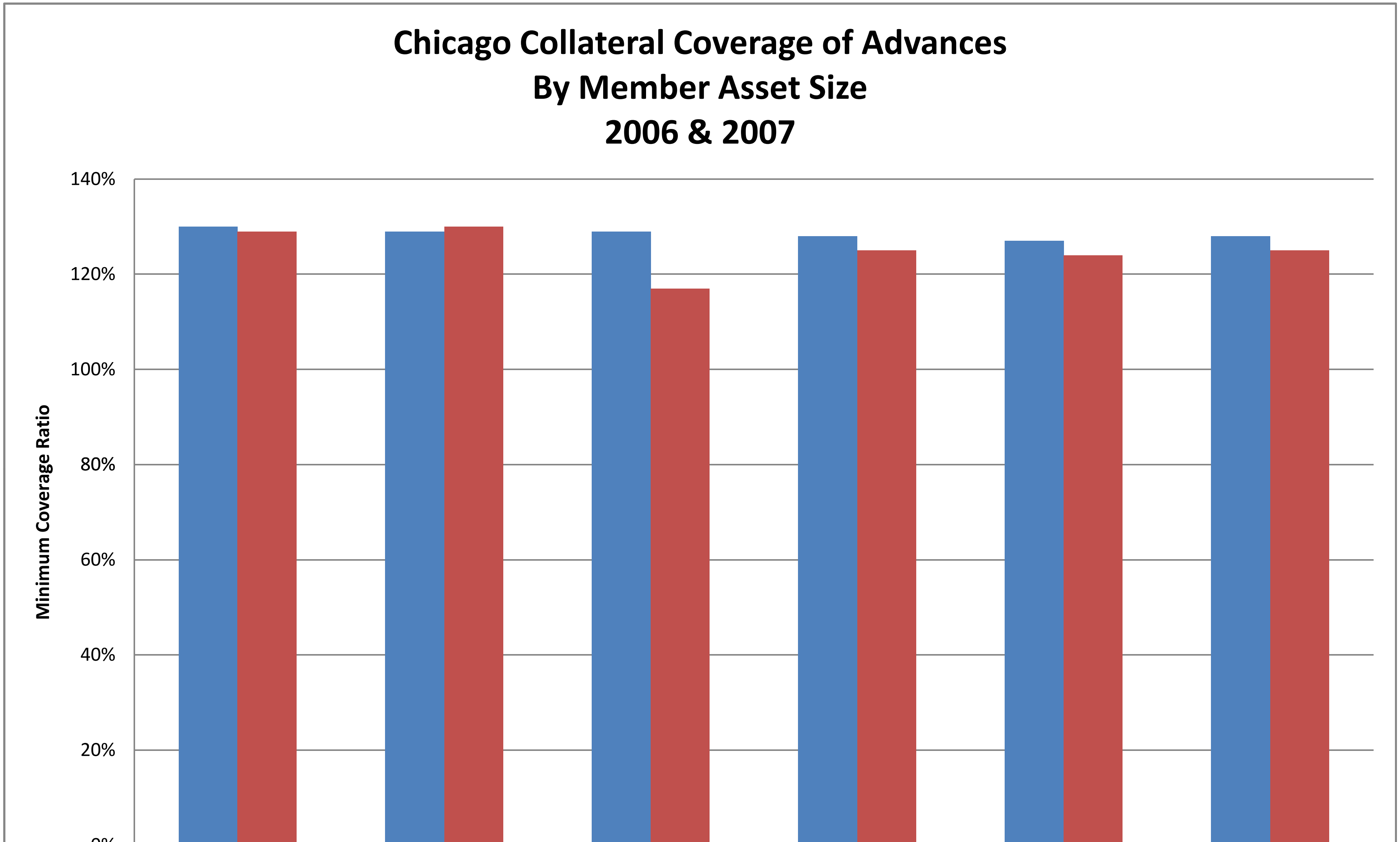


	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	136%	138%	146%	139%	139%	139%
2006	134%	134%	135%	134%	129%	130%

Indianapolis Collateral Coverage of Advances
By Member Asset Size
2006 & 2007

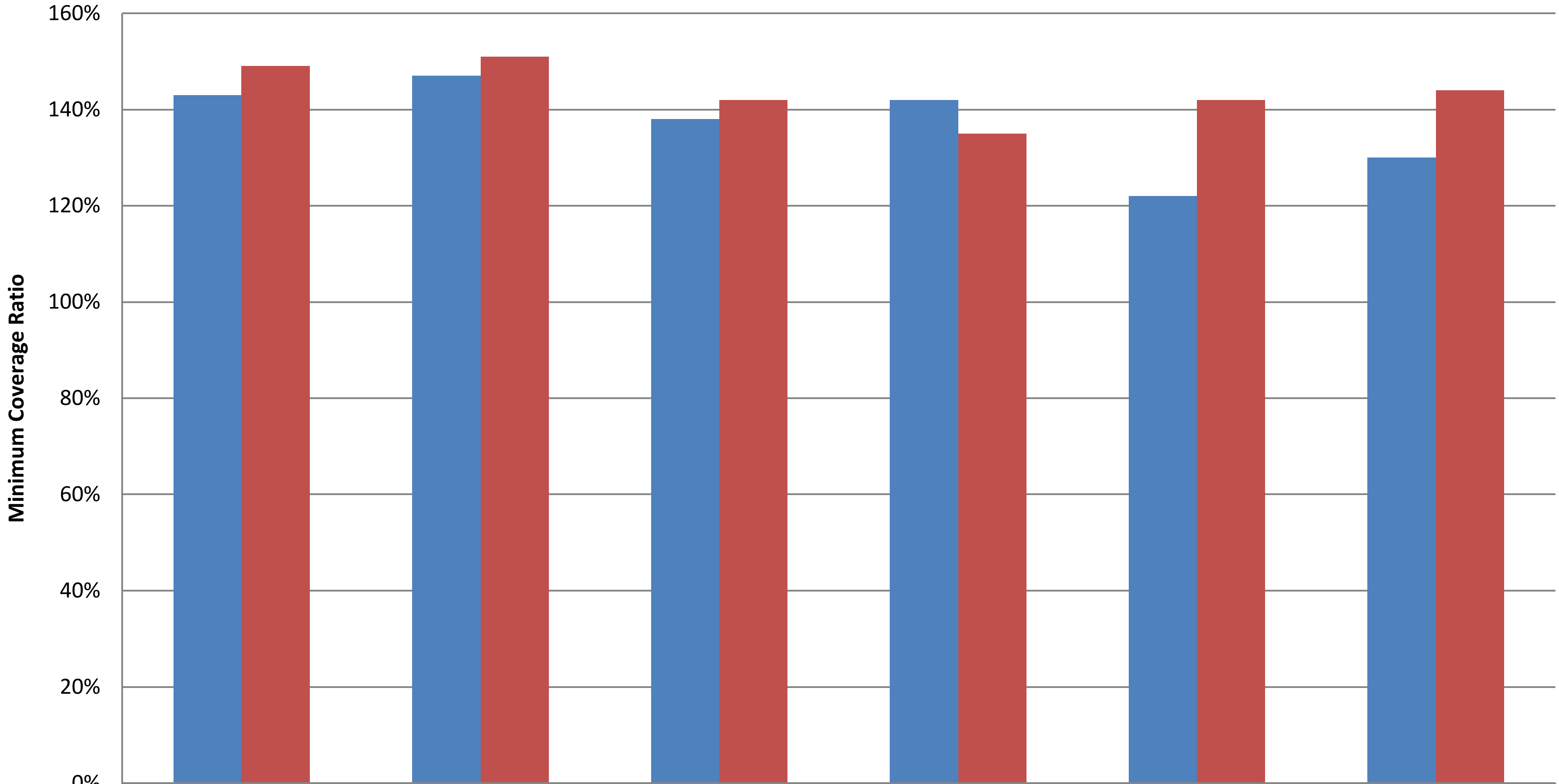


	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	152%	146%	142%	141%	131%	136%
2006	149%	146%	143%	148%	128%	137%



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	130%	129%	129%	128%	127%	128%
2006	129%	130%	117%	125%	124%	125%

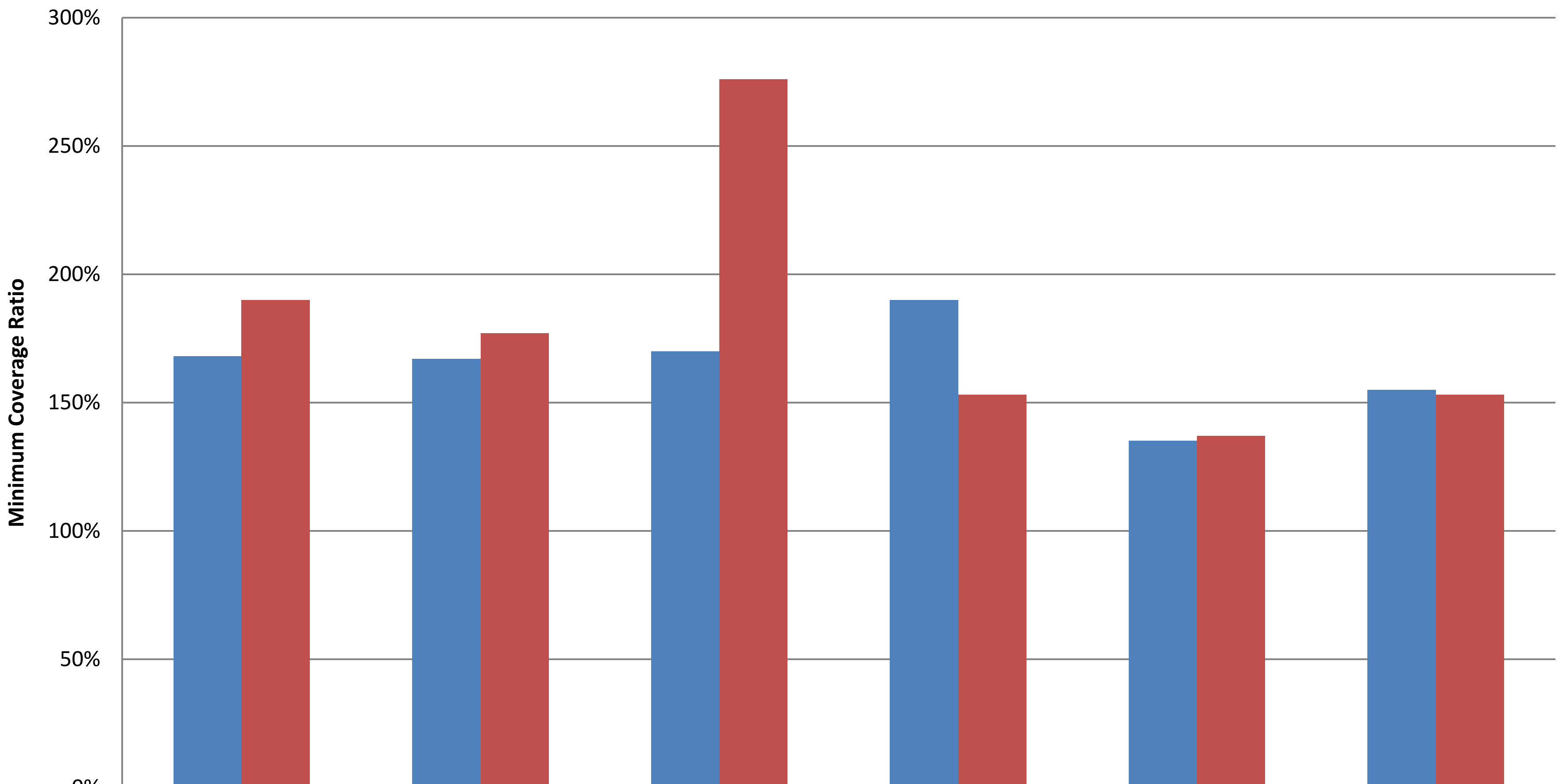
Des Moines Collateral Coverage of Advances
By Member Asset Size
2006 & 2007



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	143%	147%	138%	142%	122%	130%
2006	149%	151%	142%	135%	142%	144%

Graph 4.10

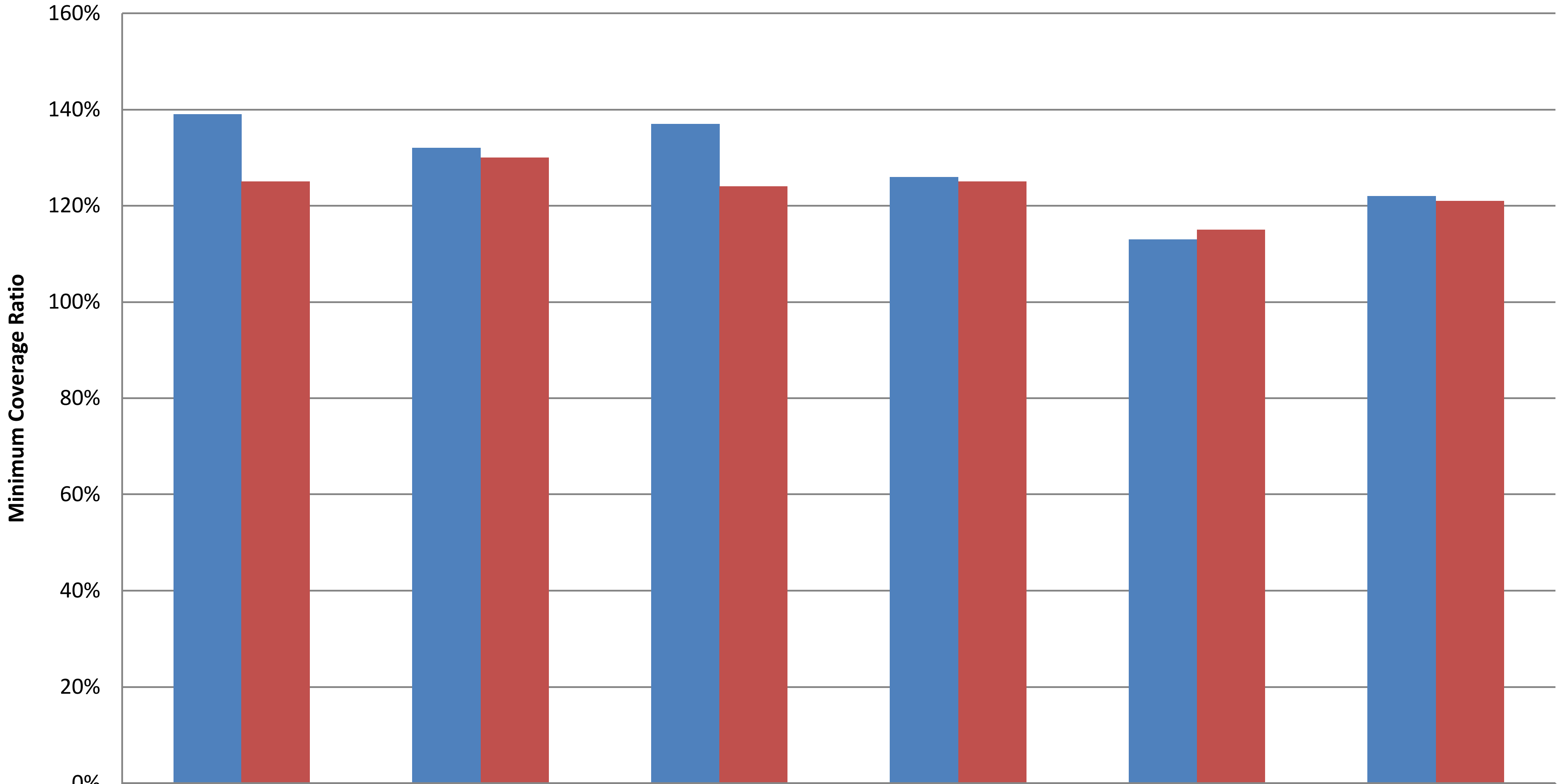
Dallas Collateral Coverage of Advances
By Member Asset Size
2006 & 2007



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	168%	167%	170%	190%	135%	155%
2006	190%	177%	276%	153%	137%	153%

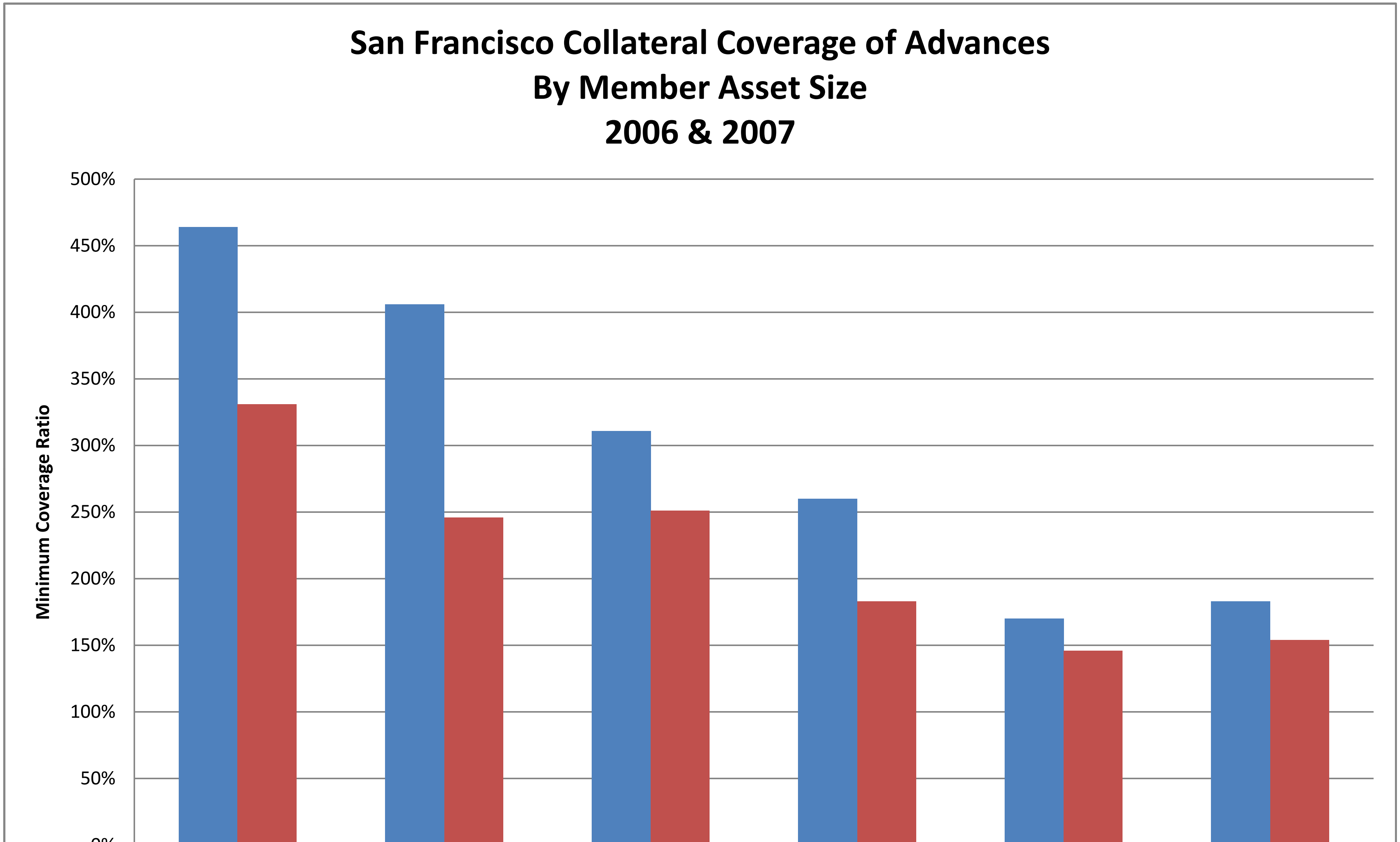
Graph 4.11

Topeka Collateral Coverage of Advances
By Member Asset Size
2006 & 2007

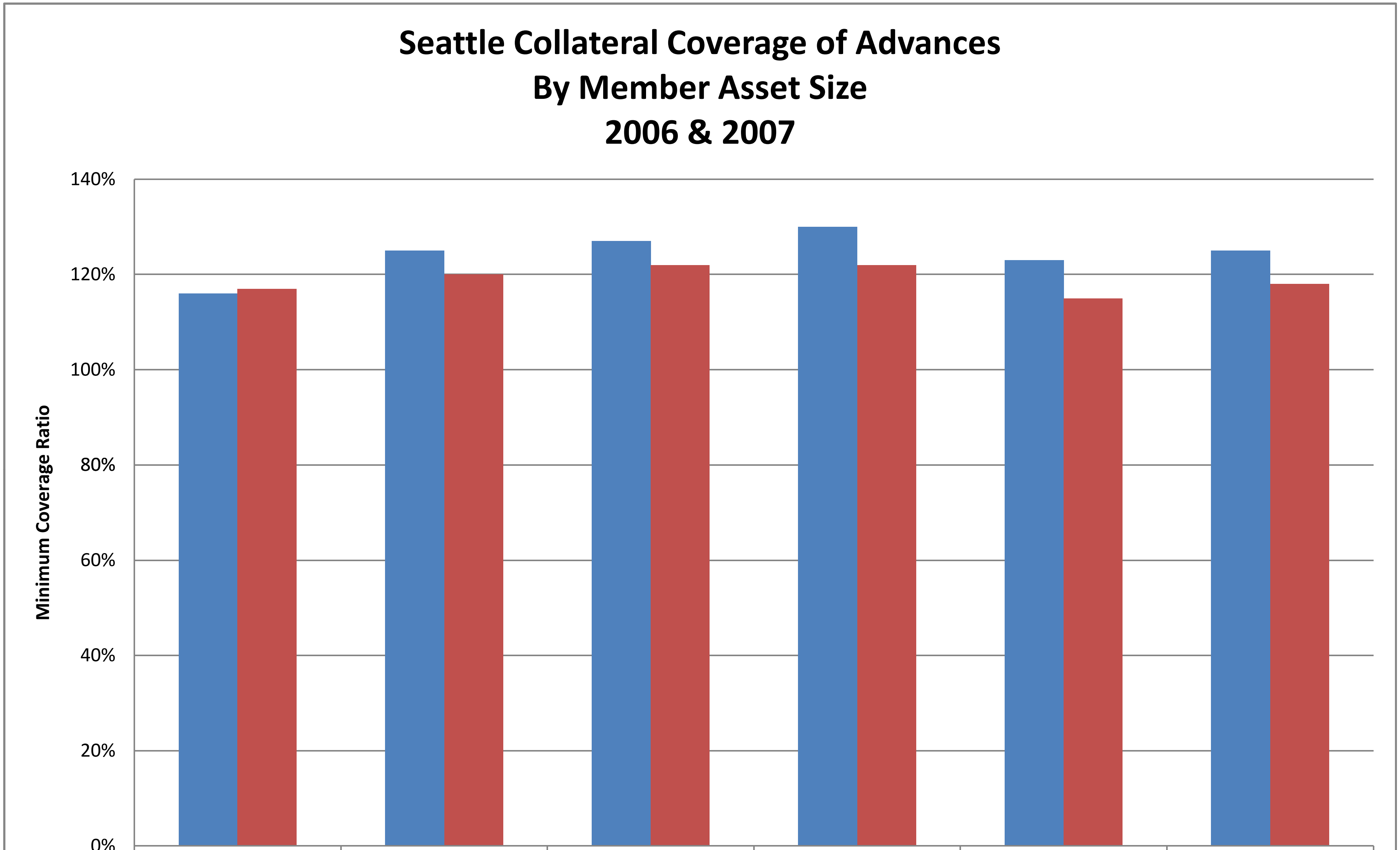


	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	139%	132%	137%	126%	113%	122%
2006	125%	130%	124%	125%	115%	121%

Graph 4.12



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	464%	406%	311%	260%	170%	183%
2006	331%	246%	251%	183%	146%	154%



	Members < $100 million in assets	Members >$100 million to <=$599 million	Members >$599 million to $1 billion	Members >$1 billion to $10 billion	Members > $10 billion	All Members
2007	116%	125%	127%	130%	123%	125%
2006	117%	120%	122%	122%	115%	118%

5. Other Real Estate Related Collateral (ORERC)

The FHLBanks provide supplemental information detailing the specific types of ORERC that they accept as collateral. Eligible ORERC at the FHLBanks may include private-label MBS not otherwise eligible as collateral; second mortgage loans, including home equity loans; commercial real estate loans; 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. As well, an FHLBank must be able to perfect a security interest in such collateral.

All the FHLBanks report ORERC securing advances. The largest ORERC category is commercial real estate loans, followed by home equity lines of credit and second mortgage loans.

The following tables provide detailed information regarding the types of ORERC securing advances at the FHLBanks at the end of 2006 and 2007. The FHLBanks of Atlanta, Cincinnati, Indianapolis, Des Moines, Dallas, Pittsburgh, Topeka and Seattle are not able to tabulate data on the specific types of commercial real estate loan collateral they have accepted in the format required by the survey.

Table 5.1

Collateral Securing Advances - ORERC
As of December 31, 2007
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$232	$11,971	$405	$10,629	$7,151	$3,102	$0	$5,614	$16,479	$2,940	$56,237	$4,132	$118,892
Office	$116	$1,435					$0				$3,733		$5,284
Retail	$116	$2,395					$0				$8,809		$11,320
Industrial	$0	$863					$0				$4,840		$5,703
Lodging	$0	$615					$0				$2,240		$2,855
Mixed Use	$0	$1,367					$0				$3,348		$4,715
Other	$0	$5,296	$37				$0				$33,267		$38,600
2. Commercial 2nd Mortgages	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1
3. Residential Second Mortgage Loans	$0	$608	$99	$0	$0	$593	$204	$1,894	$0	$364	$25,664	$880	$30,306
4. Home Equity Lines of Credit	$104	$0	$68	$11,133	$1,267	$415	$958	$1,425	$0	$0	$36,608	$128	$52,106
5. Construction Loans	$0	$0	$104	$0	$0	$0	$0	$50	$0	$557	$0	$0	$711
Residential Construction (Single Family)	$0	$0	$101	$0	$0	$0	$0	$50	$0	$378	$0	$0	$529
Multi-Family Construction	$0	$0	$1	$0	$0	$0	$0	$0	$0	$179	$0	$0	$180
Commercial Construction	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2
6. Securities	$0	$16	$0	$0	$714	$1,887	$0	$2,439	$0	$599	$2,003	$829	$8,487
CMBS	$0	$16	$0	$0	$714	$1,878	$0	$2,439	$0	$479	$2,003	$829	$8,358
HELOC Securities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$120	$0	$0	$120
Mutual Funds	$0	$0	$0	$0	$0	$9	$0	$0	$0	$0	$0	$0	$9
Other Securities (Specifiy) -	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7. Land Loans	$0	$0	$36	$0	$143	$0	$0	$871	$0	$313	$0	$0	$1,363
Farm Real Estate	$0	$0	$33	$0	$143	$0	$0	$871	$0	$313	$0	$0	$1,360
Other Land Loans (Specifiy)	$0	$0	$3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3
8. Other	$0	$0	$0	$0	$0	$0	$0	$60	$0	$0	$836	$0	$896
Participated loans	$0	$0	$0	$0	$0	$0	$0	$60	$0	$0	$836	$0	$896
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$336	$12,596	$712	$21,762	$9,275	$5,997	$1,162	$12,353	$16,479	$4,773	$121,348	$5,969	$212,762

Table 5.2

Collateral Securing Advances - ORERC
As of December 31, 2006
($ Millions)

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
1. Commercial Real Estate	$50	$11,403	$0	$4,890	$529	$1,320	$0	$6,074	$13,399	$1,944	$16,140	$1,430	$57,179
Office	$26	$1,438	$0				$0				$1,164		$2,628
Retail	$24	$2,073	$0				$0				$1,363		$3,460
Industrial	$0	$950	$0				$0				$849		$1,799
Lodging	$0	$651	$0				$0				$517		$1,168
Mixed Use	$0	$944	$0				$0				$601		$1,545
Other	$0	$5,347	$0				$0				$11,646		$16,993
2. Commercial 2nd Mortgages	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1
3. Residential Second Mortgage Loans	$0	$266	$0	$0	$2	$3	$0	$1,396	$0	$358	$1,962	$165	$4,152
4. Home Equity Lines of Credit	$2,131	$0	$0	$4,104	$62	$39	$16	$1,564	$0	$0	$452	$25	$8,393
5. Construction Loans	$0	$0	$0	$0	$0	$0	$33	$0	$0	$543	$0	$0	$576
Residential Construction (Single Family)	$0	$0	$0	$0	$0	$0	$33	$0	$0	$499	$0	$0	$532
Multi-Family Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$44	$0	$0	$44
Commercial Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6. Securities	$0	$57	$0	$0	$307	$674	$0	$1,132	$16,353	$0	$0	$2,527	$21,050
CMBS	$0	$57	$0	$0	$307	$672	$0	$1,132	$16,353	$0	$0	$2,527	$21,048
HELOC Securities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mutual Funds	$0	$0	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$2
Other Securities (Specifiy) -	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7. Land Loans	$0	$0	$0	$0	$44	$0	$0	$629	$0	$154	$0	$0	$827
Farm Real Estate	$0	$0	$0	$0	$44	$0	$0	$629	$0	$154	$0	$0	$827
Other Land Loans (Specifiy)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0	$0	$0	$25	$0	$0	$414	$0	$439
Participated loans	$0	$0	$0	$0	$0	$0	$0	$25	$0	$0	$414	$0	$439
Other (Specify)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals	$2,181	$11,727	$0	$8,994	$944	$2,036	$49	$10,820	$29,752	$2,999	$18,968	$4,147	$92,617

6. Community Financial Institution (CFI) Collateral

The FHLBanks are authorized to accept additional types of collateral from CFI members and their affiliates as security for advances that would not be otherwise considered eligible collateral. These types of collateral include small business loans; small farm loans or small agri-business loans fully secured by collateral other than real estate; and securities representing a whole interest in such loans. The FHLBanks provide data on the types of CFI collateral that they accept, as well as the volume of CFI collateral that their members have available, but do not currently utilize.

CFI collateral pledged to secure advances doubled during 2007. The FHLBanks report $10.1 billion of CFI collateral directly securing $3.1 billion of CFI advances at year-end 2007. Unutilized CFI collateral at the FHLBanks totals $146 billion.

This section of the supplemental materials includes a table that provides data on the mix of CFI collateral at the FHLBanks, the level of advances secured by CFI collateral, and the level of unutilized CFI collateral at the end of 2007. This section also includes graphs that display changes in these three areas between 2006 and 2007.

Note that the FHLBanks of Boston, New York, Atlanta and Cincinnati report no CFI collateral activity for the current reporting period. The FHLBanks of New York and Atlanta also did not provide any information regarding unutilized CFI collateral.

Table 6.1

2007 CFI Collateral & Advances Activity

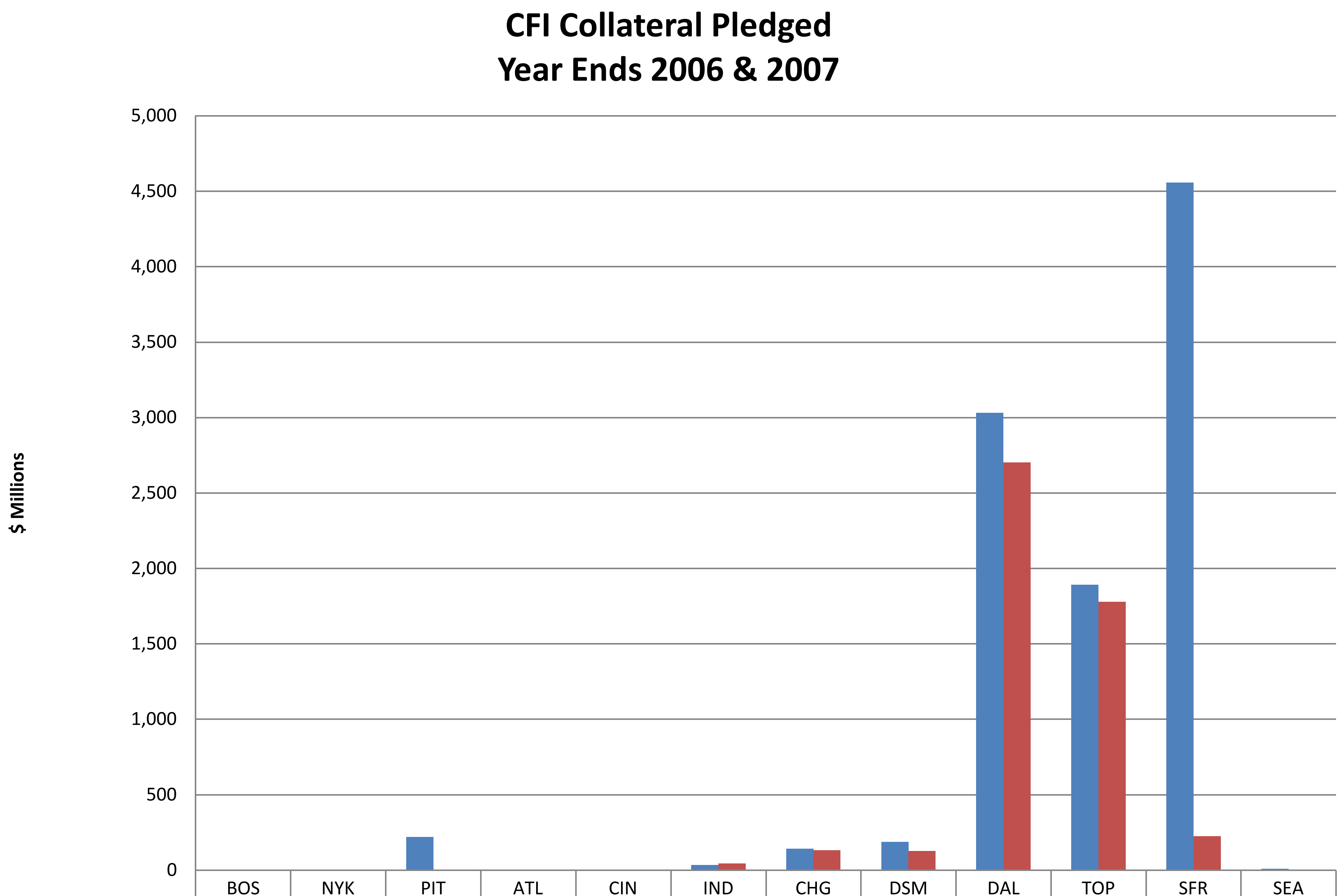
($ Millions)

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	$0	$24	$101	$0	$14	$954	$4,512	$0	$5,605
Small Agri-business Loans	$0	$0	$8	$0	$0	$0	$0	$64	$0	$187	$22	$0	$281
Small Business Loans	$0	$0	$211	$0	$0	$9	$41	$122	$3,018	$752	$24	$8	$4,185
Total CFI Collateral	$0	$0	$219	$0	$0	$33	$142	$186	$3,032	$1,893	$4,558	$8	$10,071
Total CFI Advances	$0	$0	$110	$0	$0	$15	$72	$74	$1,173	$1,165	$450	$5	$3,064

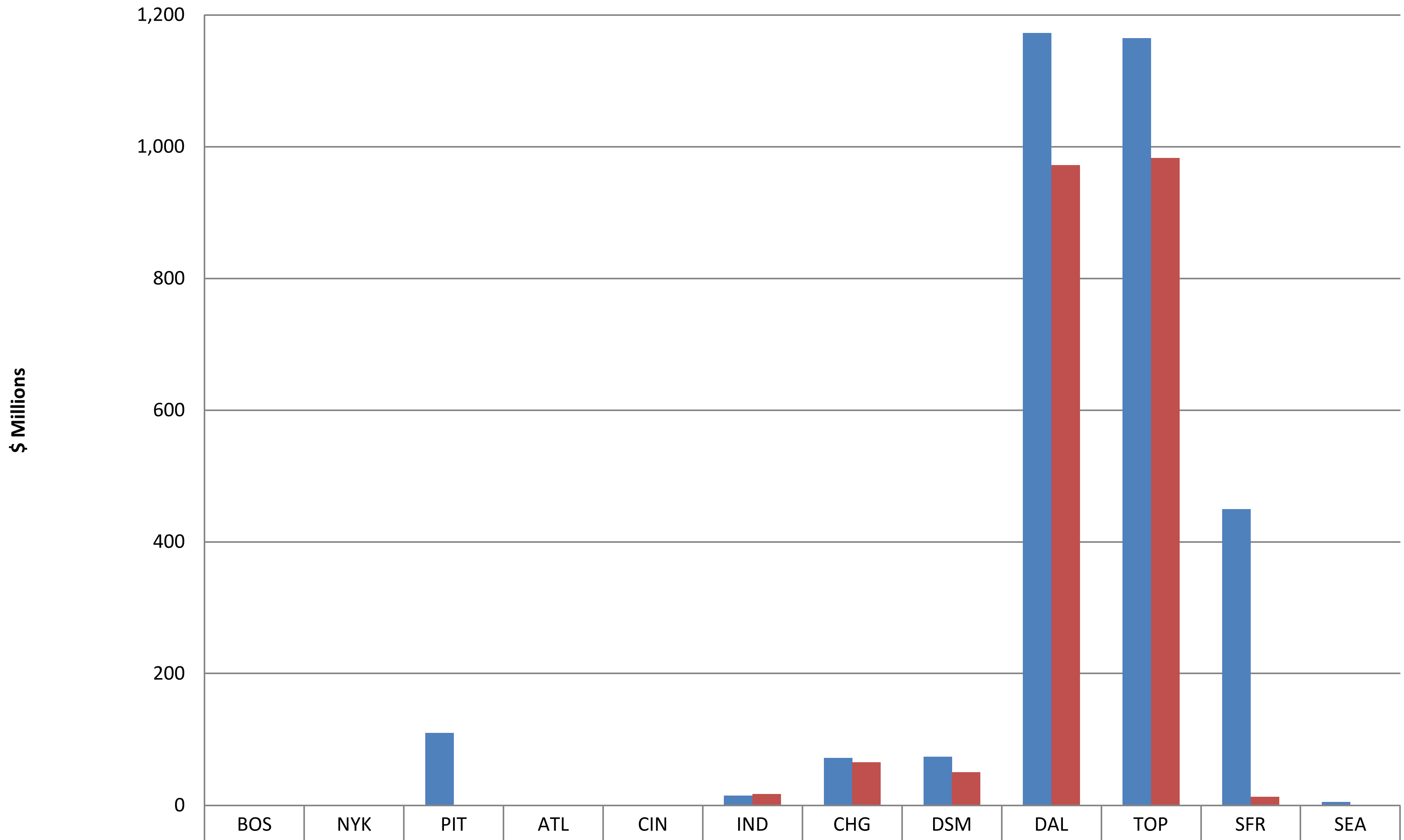
Unutilized CFI Collateral

FHLBank	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYSTEM
Small Farm Loans	$3,613	$0	$0	$0	$0	$48	$142	$21,562	$13,661	$1,357	$66	$1,396	$41,845
Small Agri-business Loans	$187	$0	$88	$0	$773	$0	$0	$10,256	$0	$2,082	$94	$1,139	$14,619
Small Business Loans	$9,494	$0	$3,372	$0	$7,074	$60	$168	$40,664	$20,349	$4,783	$2,032	$1,987	$89,983
Total Unutilized CFI Collateral	$13,294	$0	$3,460	$0	$7,847	$108	$310	$72,482	$34,010	$8,222	$2,192	$4,522	$146,447



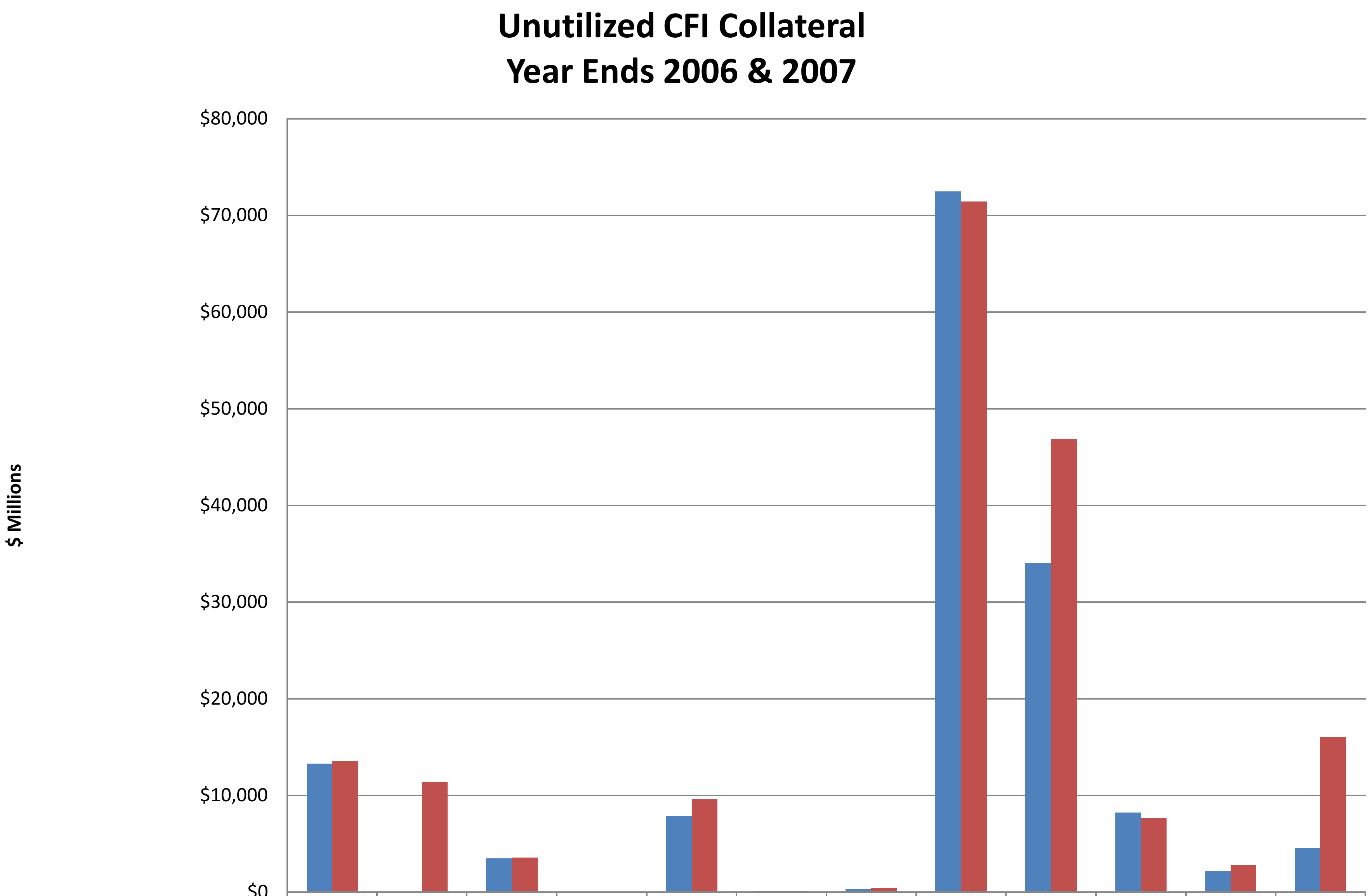
	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2007 CFI Collateral	0	0	219	0	0	33	142	186	3,032	1,893	4,558	8
2006 CFI Collateral	0	0	0	0	0	42	131	126	2,702	1,778	224	1

CFI Advances Outstanding
Year Ends 2006 & 2007



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2007 CFI Advances	0	0	110	0	0	15	72	74	1,173	1,165	450	5
2006 CFI Advances	0	0	0	0	0	17	65	50	972	983	13	1

Graph 6.3



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2007 Unutilized CFI Collateral	$13,294	$0	$3,460	$0	$7,847	$108	$310	$72,482	$34,011	$8,222	$2,192	$4,522
2006 Unutilized CFI Collateral	$13,538	$11,400	$3,540	$0	$9,626	$109	$424	$71,438	$46,900	$7,670	$2,792	$16,023

7. Collateral Coverage of Insurance Companies and Credit Unions

The first graph in this section exhibits collateral coverage of advances to the various types of member institutions of the FHLBanks. The "other" category in the first graph captures outstanding advances made to members that have been acquired by a member in another district FHLBank. The second, third, and fourth graphs in this section provide information on the volume of advances and the collateral coverage for both insurance companies and credit unions by FHLBank.

Insurance companies

Although still not a significant component of business at most FHLBanks, advances to insurance companies are growing throughout the System. Advances to insurance company members increased from $14.2 billion to $28.7 billion during 2007, an increase of 102 percent. At year-end 2007, there were 151 insurance company members of the FHLBanks and 52 insurance company borrowers.

Collateral coverage for advances originated to insurance companies is lower than the collateral coverage for other members.[1] This is principally a result of the type of collateral pledged and lien status imposed by the FHLBanks for insurance company members. Over 65 percent of the collateral for advances to insurance companies is U.S. agency and private-label MBS/CMOs. The FHLBanks generally only accept collateral from insurance companies on a delivered basis.

Credit Unions

While all FHLBanks report advances outstanding to credit union members, advances to credit unions are also not a significant component of their business. Credit union borrowings increased during 2007 from $18.9 billion to $32.4 billion, or 71 percent. At year-end 2007, there were 906 credit union members of the FHLBanks and 432 credit union borrowers.

Collateral coverage for advances to credit unions is higher than the collateral coverage for other members. This is principally a result of the type of collateral credit unions pledge. Over 60 percent of the collateral for advances to credit unions is whole mortgage loan collateral. The FHLBanks require higher volumes of whole mortgage loan collateral as it is less liquid than U.S. agency and private-label MBS/CMOs.

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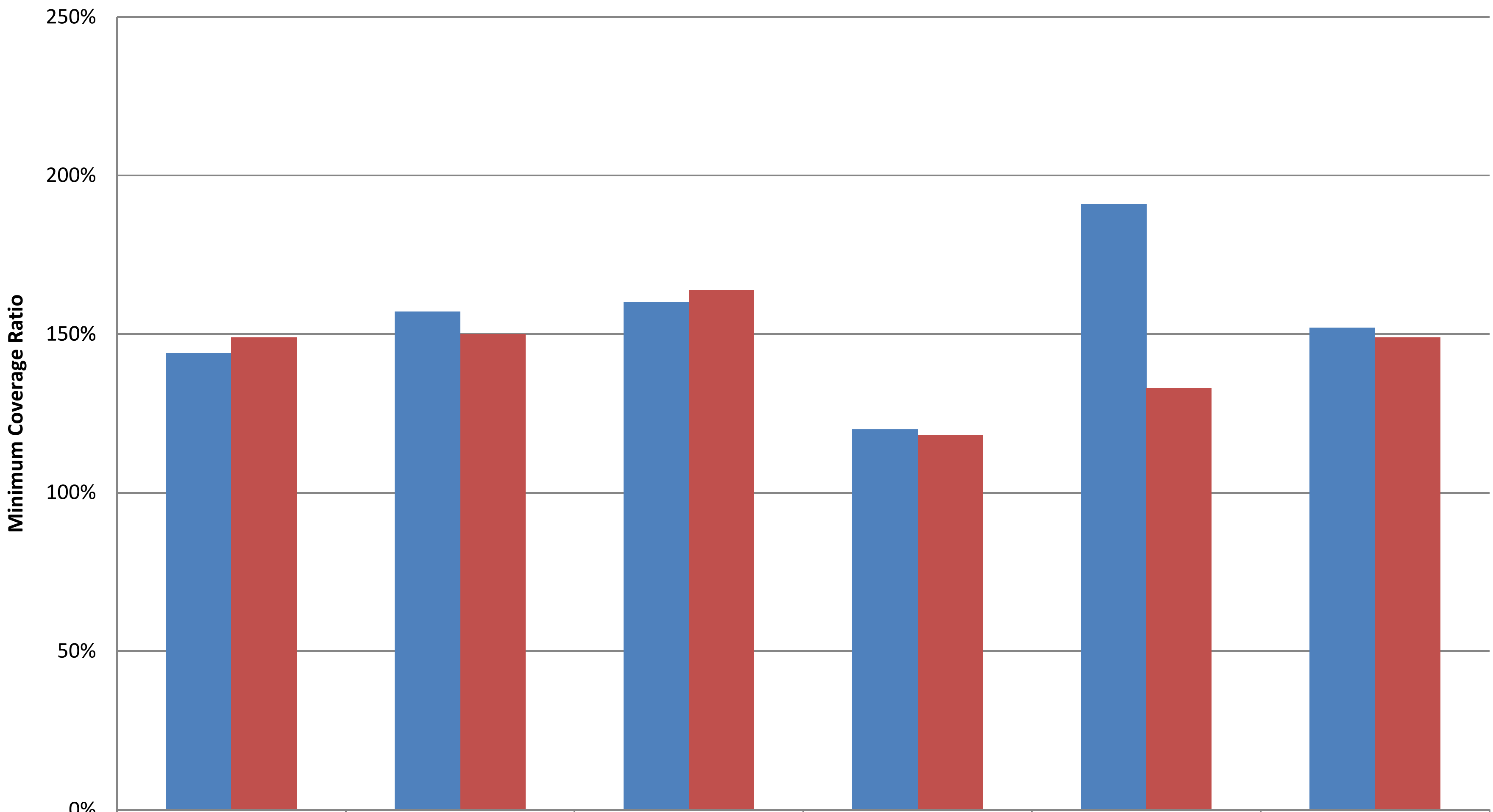
[1] As noted in the first graph, collateral coverage ratios for commercial bank members and thrift members are 157 percent and 144 percent, respectively.

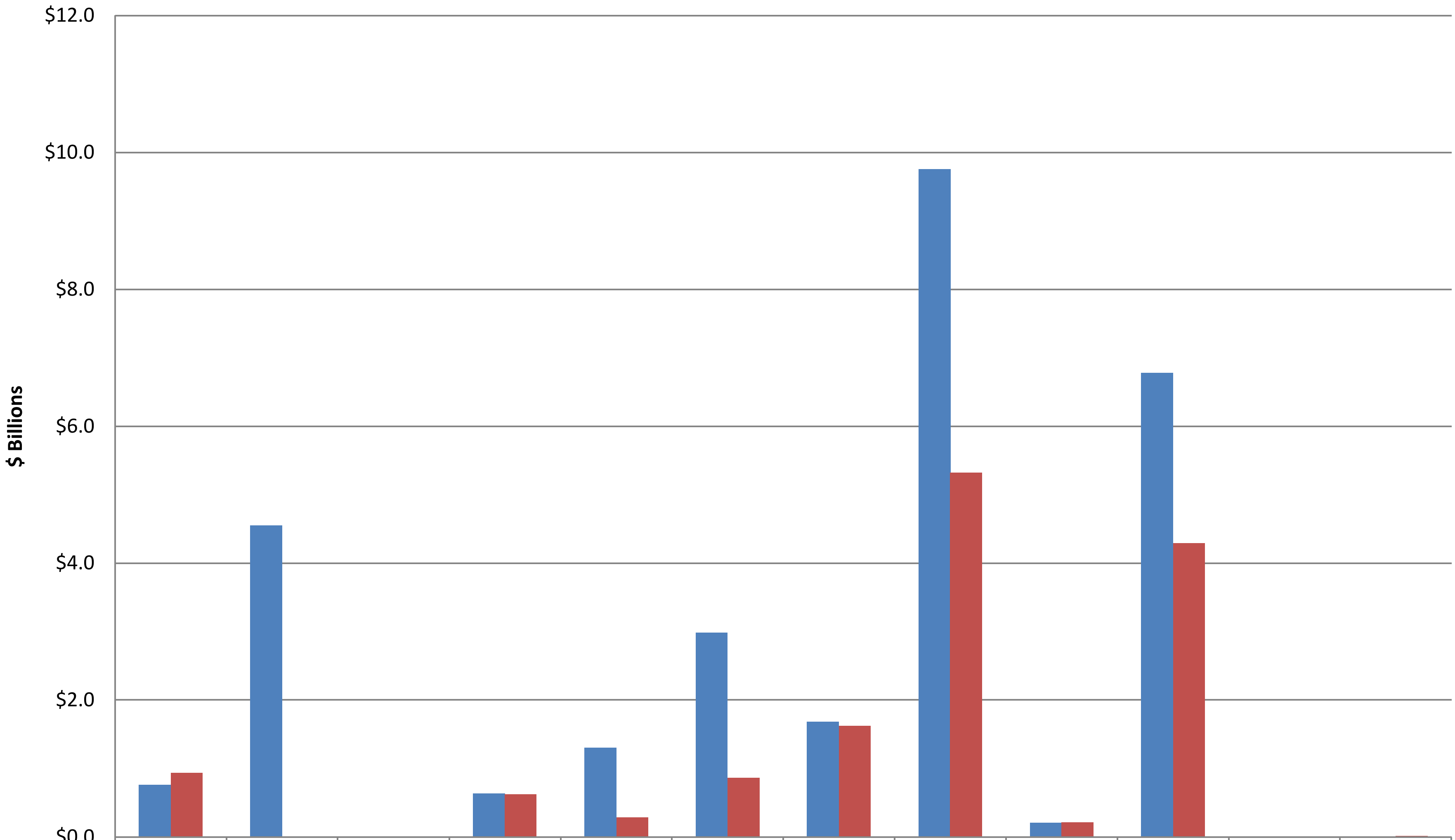
Graph 7.1

System Collateral Coverage of Advances
By Member Type
Year Ends 2006 & 2007



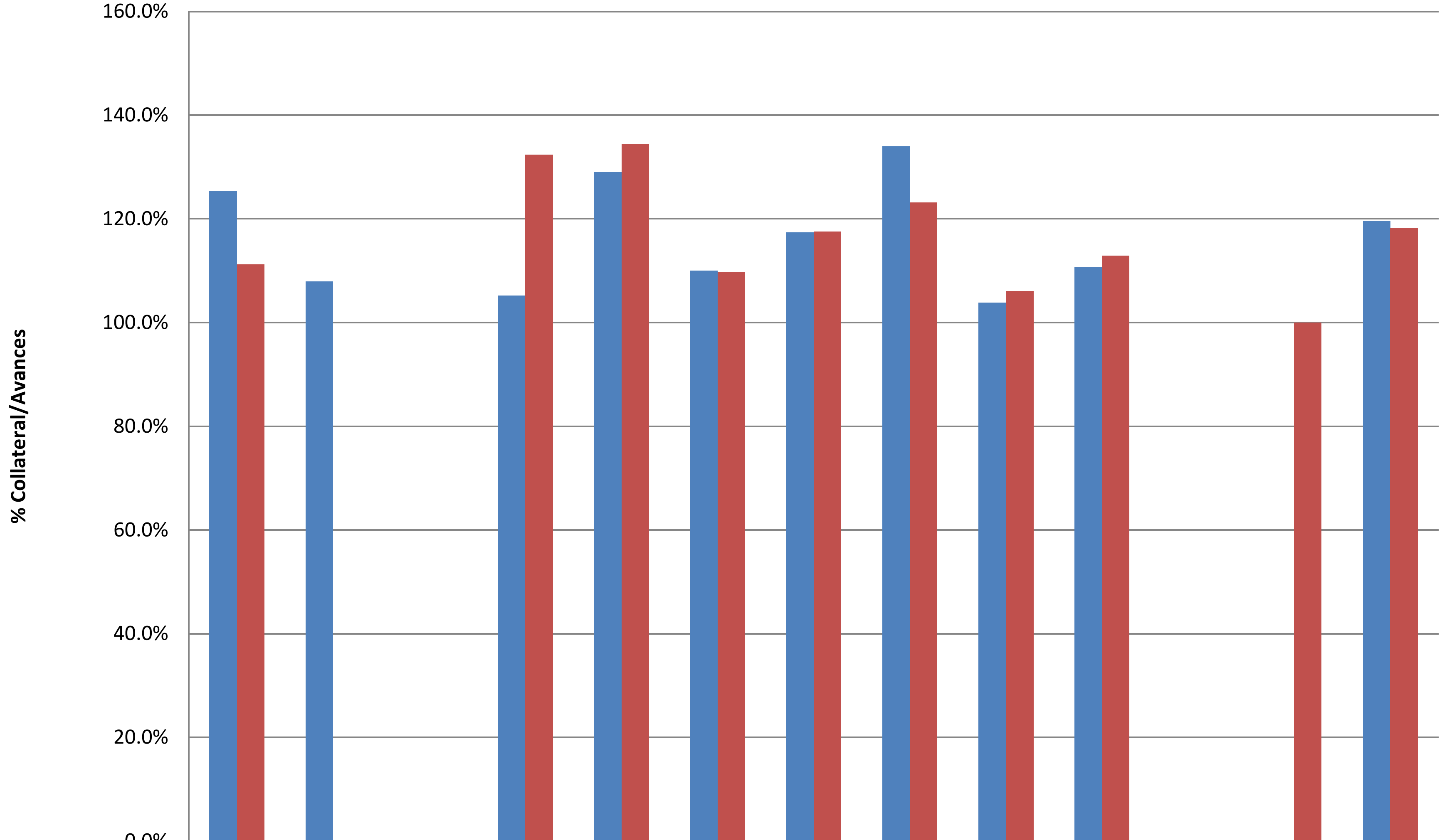
	Thrifts	Commercial Banks	Credit Unions	Insurance Companies	Others	All Members
2007	144%	157%	160%	120%	191%	152%
2006	149%	150%	164%	118%	133%	149%

Insurance Company Advances
Year Ends 2006 & 2007

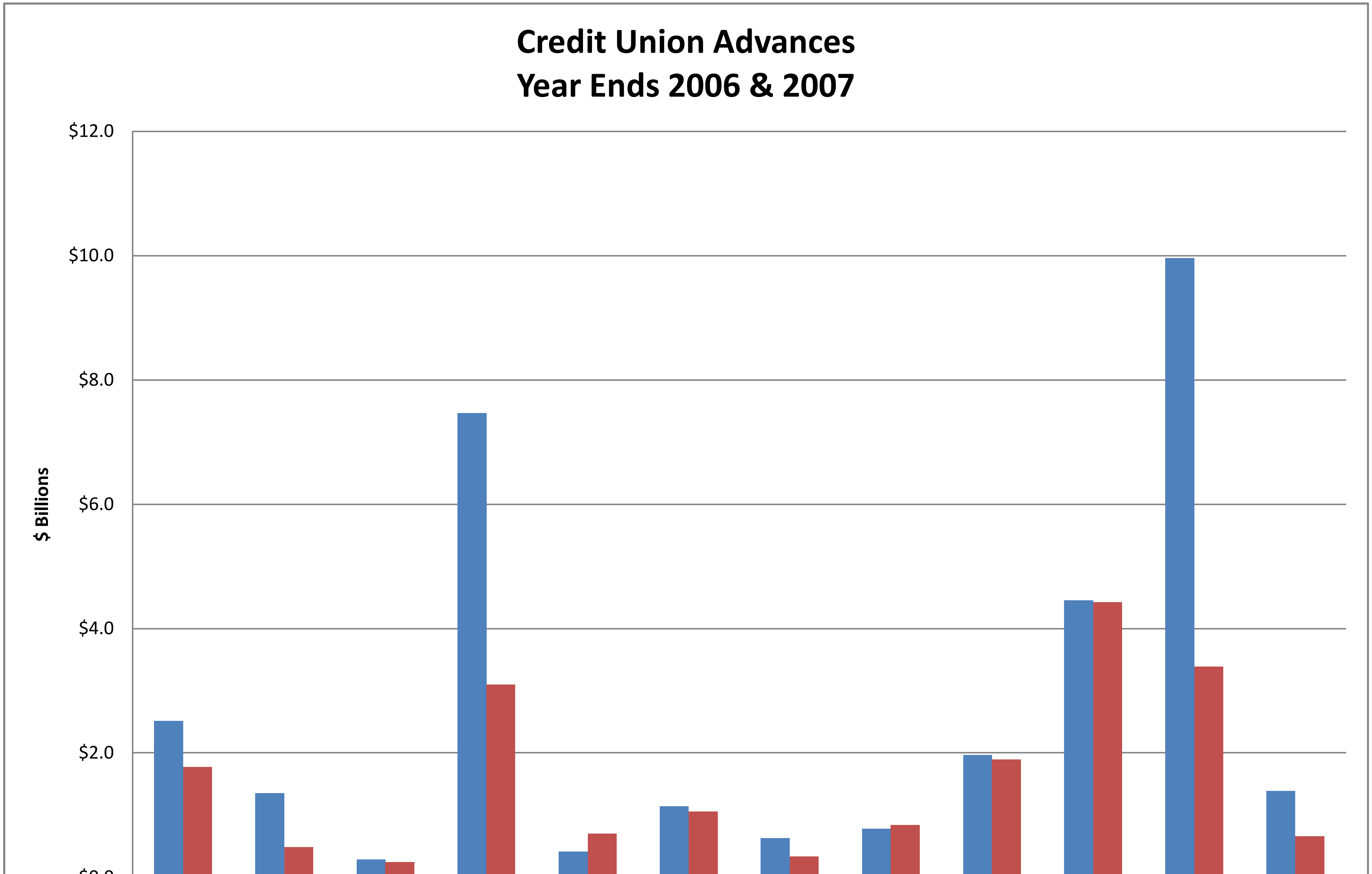


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2007	$0.8	$4.6	$0.0	$0.6	$1.3	$3.0	$1.7	$9.8	$0.2	$6.8	$0.0	$0.0
2006	$0.9	$0.0	$0.0	$0.6	$0.3	$0.9	$1.6	$5.3	$0.2	$4.3	$0.0	$0.0

Collateral Coverage of Insurance Companies
Year Ends 2006 & 2007

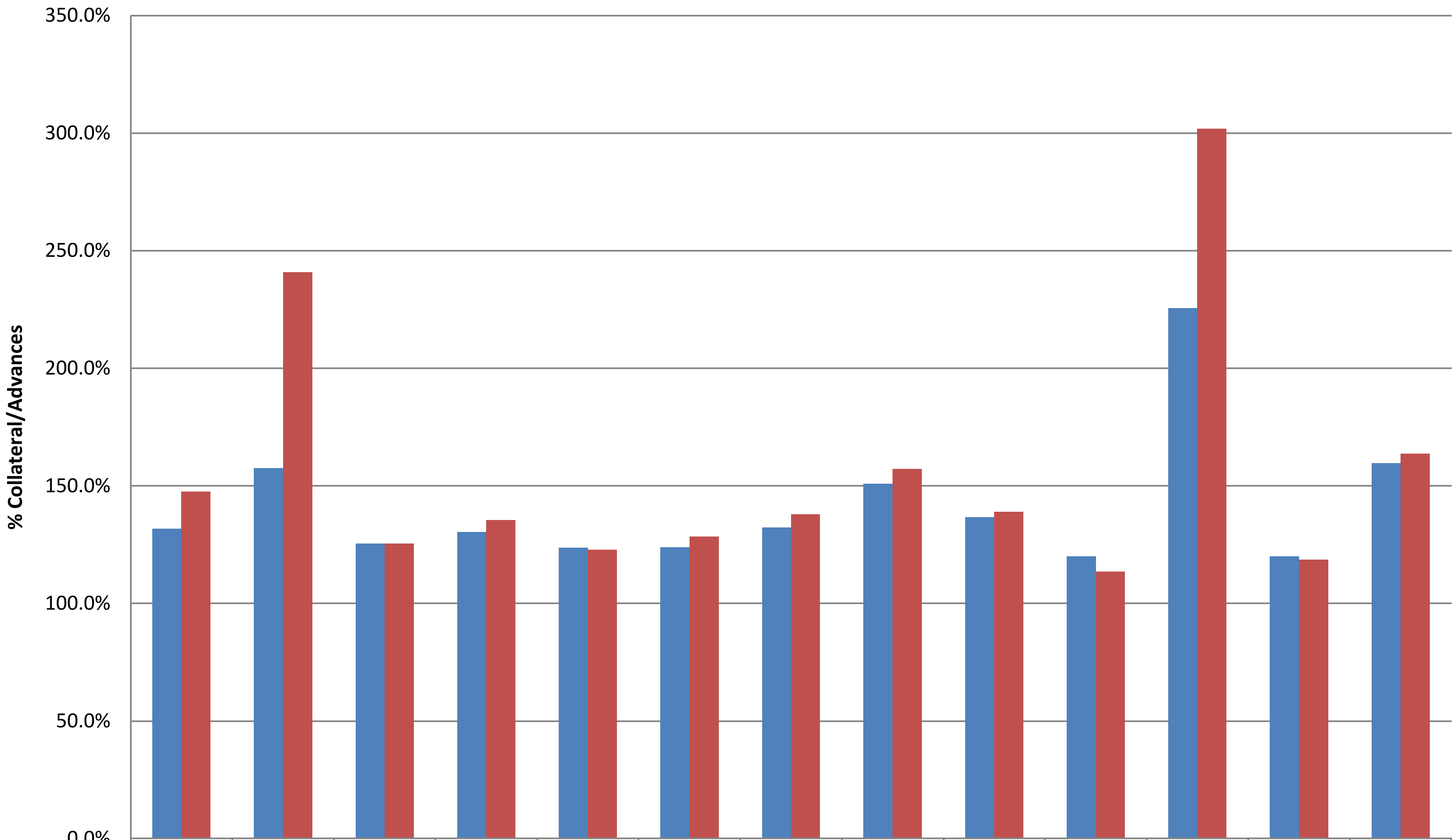


	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
2007	125.5%	108.0%	0.0%	105.2%	129.1%	110.0%	117.4%	134.0%	103.8%	110.8%	0.0%	0.0%	119.6%
2006	111.2%	0.0%	0.0%	132.4%	134.5%	109.8%	117.6%	123.1%	106.0%	112.9%	0.0%	100.0%	118.2%



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA
2007	$2.5	$1.4	$0.3	$7.5	$0.4	$1.1	$0.6	$0.8	$2.0	$4.5	$10.0	$1.4
2006	$1.8	$0.5	$0.2	$3.1	$0.7	$1.1	$0.3	$0.8	$1.9	$4.4	$3.4	$0.7

Collateral Coverage of Credit Unions
Year Ends 2006 & 2007



	BOS	NYK	PIT	ATL	CIN	IND	CHG	DSM	DAL	TOP	SFR	SEA	SYS
2007	131.7%	157.5%	125.4%	130.3%	123.7%	123.9%	132.4%	151.0%	136.7%	120.1%	225.7%	120.1%	159.6%
2006	147.5%	240.9%	125.4%	135.5%	122.8%	128.4%	138.0%	157.3%	139.0%	113.5%	301.9%	118.6%	163.8%

8. Subprime and Nontraditional Mortgage Collateral

For the 2008 Collateral Data Survey, each FHLBank reported the amounts of subprime and nontraditional mortgage loan collateral on which it was relying to secure advances as of the report date. We requested this information in two categories: first lien residential mortgages and ORERC (second mortgages, home equity lines of credit and residential construction loans). The FHLBanks also reported additional information on the amounts of subprime and Alt-A MBS and CMOs on which the FHLBank was relying as collateral for advances. We asked the FHLBanks to 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 information collected from those members on listing or delivery collateral status, resulting in estimated amounts. Conversely, information on MBS/CMOs types can be obtained by reviewing the securities' prospectuses, market-based sources of information, or even the names of the securities themselves, allowing the FHLBanks to provide actual amounts in some cases.

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. Generally speaking, however, nontraditional mortgage loans include those that allow negative amortization or the deferment of payments of principal or interest. Subprime loans are generally those to a borrower having a credit score below some threshold level, *e.g.,* a FICO score below 660.

Regarding MBS and CMOs serving as collateral for advances, the Collateral Data Survey requested that the FHLBanks report those securities according to how they were categorized by the issuer, rating agency, or other market participant. While a standard definition of an Alt-A security does not currently exist, Alt-A MBS and CMOs traditionally have been considered to be 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 MBS are generally backed by mortgage loans to subprime borrowers. Rating agencies often have identified securities backed by home equity loans as subprime MBS.

The first table in this section presents the percentages for mortgage loan collateral that is nontraditional, subprime, or both at each FHLBank.[1] It also presents the percentage of

[1] The tables in this section present exposures in percentage terms. The percentages reflect the relative magnitude and distribution of exposure between the FHLBanks and types of collateral appropriately. While the percentages are based on dollar amounts, the dollar amounts are less meaningful given that the approaches used by the FHLBanks to estimate those amounts varied.

private-label MBS/CMO collateral that is categorized as subprime or Alt-A at each FHLBank. As can be discerned from the data, at year-end 2007, the FHLBanks held higher levels of nontraditional mortgage loan collateral than subprime mortgage loan collateral and higher levels of Alt-A private-label MBS/CMO collateral than subprime private-label MBS/CMO collateral. On a System-wide average basis, subprime mortgage loans represented 8 percent of residential mortgage loans that secure advances; nontraditional mortgage loans represented 31 percent of residential mortgage loans that secure advances; and mortgage loans that are both subprime and nontraditional represent 4 percent of residential mortgage loans that secure advances. Subprime private-label MBS represented 2 percent of MBS that secures advances, and Alt-A MBS represented 33 percent of MBS that secures advances.

The second table in this section shows how subprime and nontraditional mortgage loans and subprime and Alt-A private-label MBS/CMOs compare to total collateral securing advances. Please see that table for specific information.

Year End 2007
Subprime and Nontraditional Mortgage Collateral To Collateral Class

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 Private-label MBS/CMO Collateral that is Subprime	Percent of Private-label MBS/CMO Collateral that is Alt-A	FHLBank Reporting Standards: Actual (A) or Estimated (E)
BOS	3.6%	15.3%	0.0%	0.0%	0.0%	A
NYK	5.0%	27.7%	1.5%	0.1%	43.1%	A & E
PIT	1.5%	20.4%	0.0%	0.0%	0.0%	A
ATL	11.5%	44.0%	6.1%	0.8%	24.9%	E
CIN	18.5%	0.0%	0.0%	0.0%	13.0%	A & E
IND	0.2%	12.7%	0.0%	1.2%	11.1%	A & E
CHG	0.0%	0.0%	0.0%	0.3%	74.1%	A
DSM	11.4%	0.5%	0.0%	10.8%	9.0%	A
DAL	0.0%	6.0%	0.0%	0.0%	94.2%	A & E
TOP	0.0%	1.9%	0.0%	13.1%	8.4%	A
SFR	11.2%	46.1%	6.4%	0.1%	0.8%	A
SEA	0.4%	22.6%	0.4%	0.0%	32.5%	E
SYS	8.2%	30.5%	3.5%	2.1%	32.8%	A & E

Table 8.2

Year End 2007
Subprime and Nontraditional Mortgage Collateral To Total Collateral

FHLBank	Subprime (SP) Mortgage Loan Collateral as a Percent of Total Collateral	Nontraditional (NTM) Mortgage Loan Collateral as a Percent of Total Collateral	Mortgage Loan Collateral that is Both SP and NTM as a Percent of Total Collateral	Private-label SP MBS/CMO Collateral as a Percent of Total Collateral	Private-label Alt-A MBS/CMO Collateral as a Percent of Total Collateral	Combined Total of SP and NTM Mortgage and SP and Alt-A MBS/CMO Collateral as a Percent of Total Collateral
BOS	3.4%	14.3%	0.0%	0.0%	0.0%	17.7%
NYK	3.5%	19.3%	1.0%	0.0%	4.0%	27.8%
PIT	1.5%	20.0%	0.0%	0.0%	0.0%	21.5%
ATL	9.2%	35.5%	5.0%	0.1%	2.3%	52.0%
CIN	15.6%	0.0%	0.0%	0.0%	0.4%	16.0%
IND	0.2%	9.7%	0.0%	0.0%	0.2%	10.1%
CHG	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%
DSM	4.9%	0.2%	0.0%	2.1%	1.7%	8.9%
DAL	0.0%	2.1%	0.0%	0.0%	32.6%	34.7%
TOP	0.0%	0.6%	0.0%	3.5%	2.2%	6.4%
SFR	8.6%	35.4%	5.0%	0.0%	0.0%	49.0%
SEA	0.3%	13.4%	0.2%	0.0%	8.3%	22.1%
SYS	6.1%	22.6%	2.6%	0.2%	3.1%	34.5%

9. Original Maturity of Advances

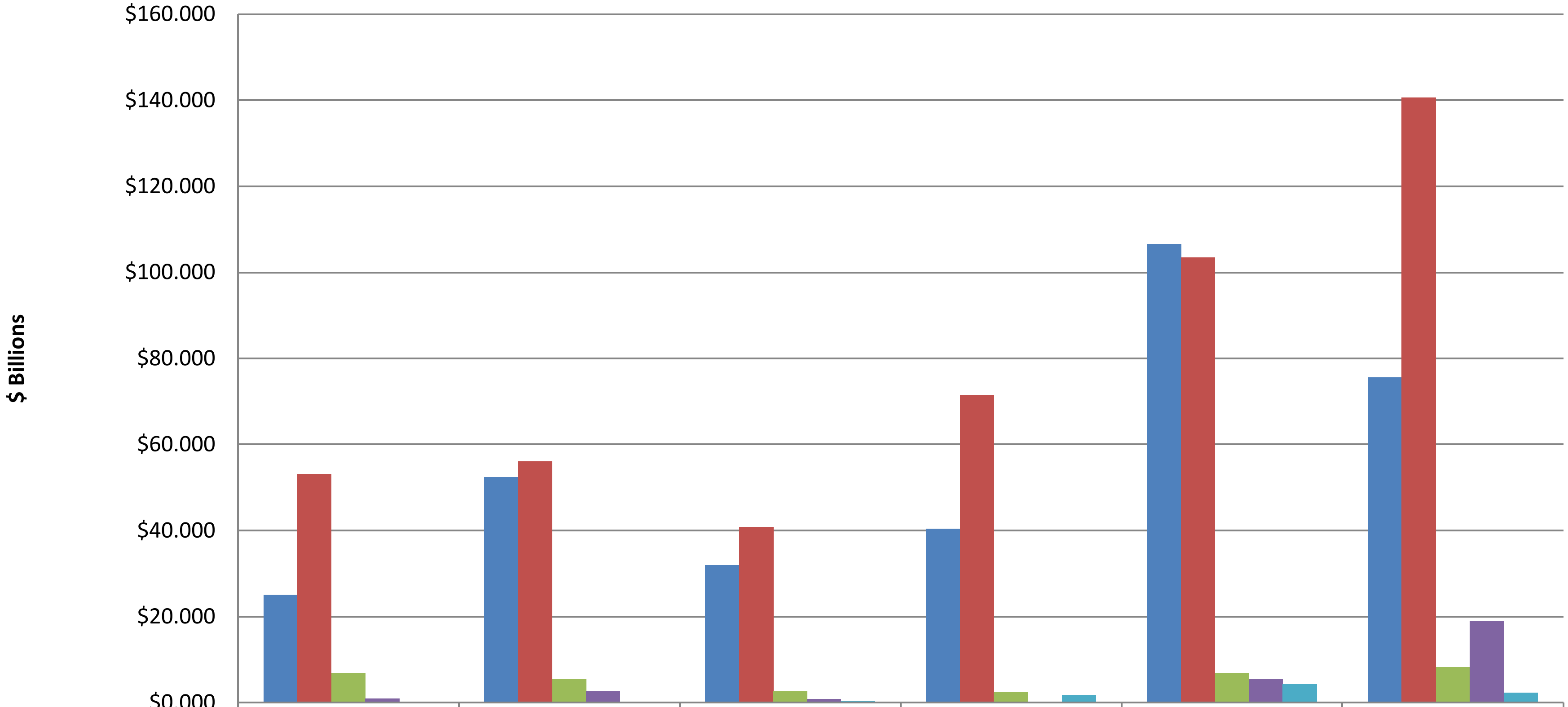
The FHLBanks report on the volume of member advances by original maturity. While not directly related to the collateral that secures advances, the information collected assists in identifying FHLBank district borrowing patterns, as well as potential trends in the interest of the various member types in differing advance maturities.

This section of the supplemental materials includes two sets of graphs. The first set of graphs presents the distribution of advances across various time horizons by type of borrower at year-end 2007, at the System and FHLBank level. From this information, one can tell that members of the FHLBank of Indianapolis generally prefer longer term advances, whereas members at the FHLBank of San Francisco prefer advances across the maturity spectrum. The data also show, for example, that insurance company members tend to borrow longer term, with the greater than 60-month time horizon showing a significantly higher level of advances to insurance companies. The second set of graphs presents a comparison of the distribution of advances across various time horizons between the years ending 2006 and 2007, again at the System and FHLBank level. From this second set of graphs, one can tell that members increased borrowings in shorter time horizons between 2006 and 2007 at the System level, particularly at the FHLBanks of Des Moines and San Francisco.

Note: the scale of the y-axis in each graph is different due to volumes of advances at each FHLBank. Using the same scale for all FHLBanks would reduce the granularity needed to identify trends at each FHLBank.

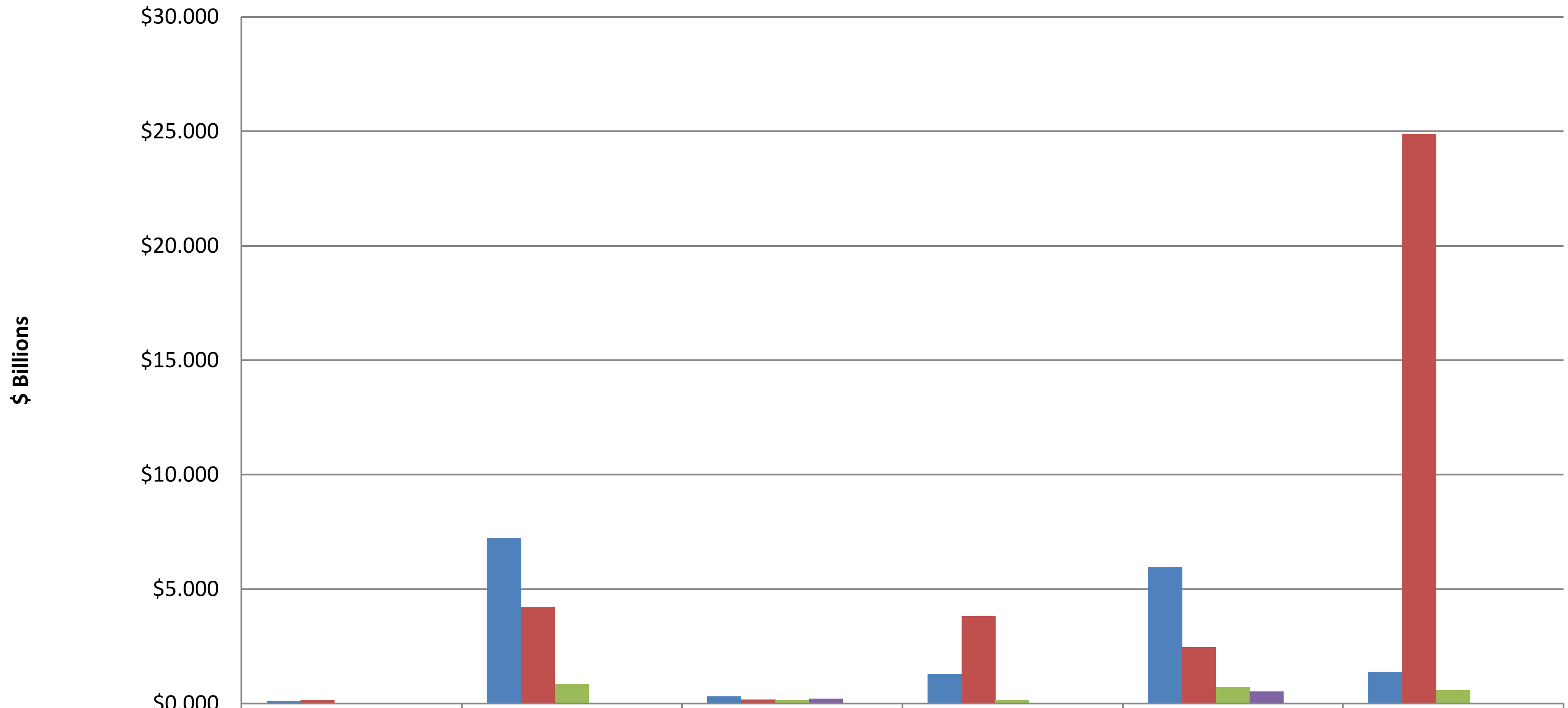
Graph 9.1

System Original Maturity of Advances
By Borrower Type - Year End 2007



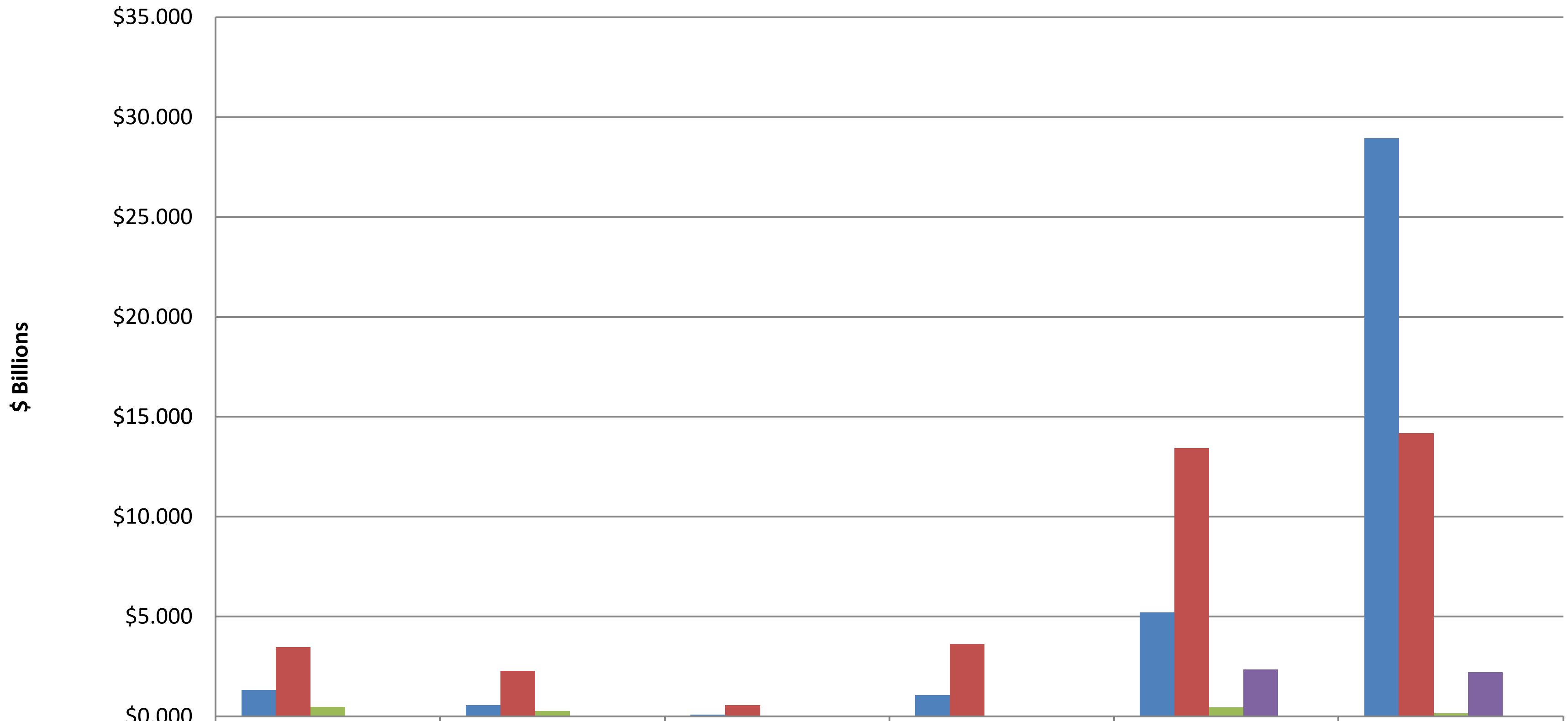
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$25.025	$52.336	$31.910	$40.376	$106.558	$75.618
Commercial Bank	$53.158	$56.092	$40.835	$71.402	$103.478	$140.645
Credit Union	$6.849	$5.432	$2.604	$2.322	$6.902	$8.223
Insurance Company	$0.890	$2.524	$0.829	$0.140	$5.321	$18.971
Other	$0.092	$0.140	$0.275	$1.738	$4.281	$2.292

Boston Original Maturity of Advances
By Borrower Type - Year End 2007



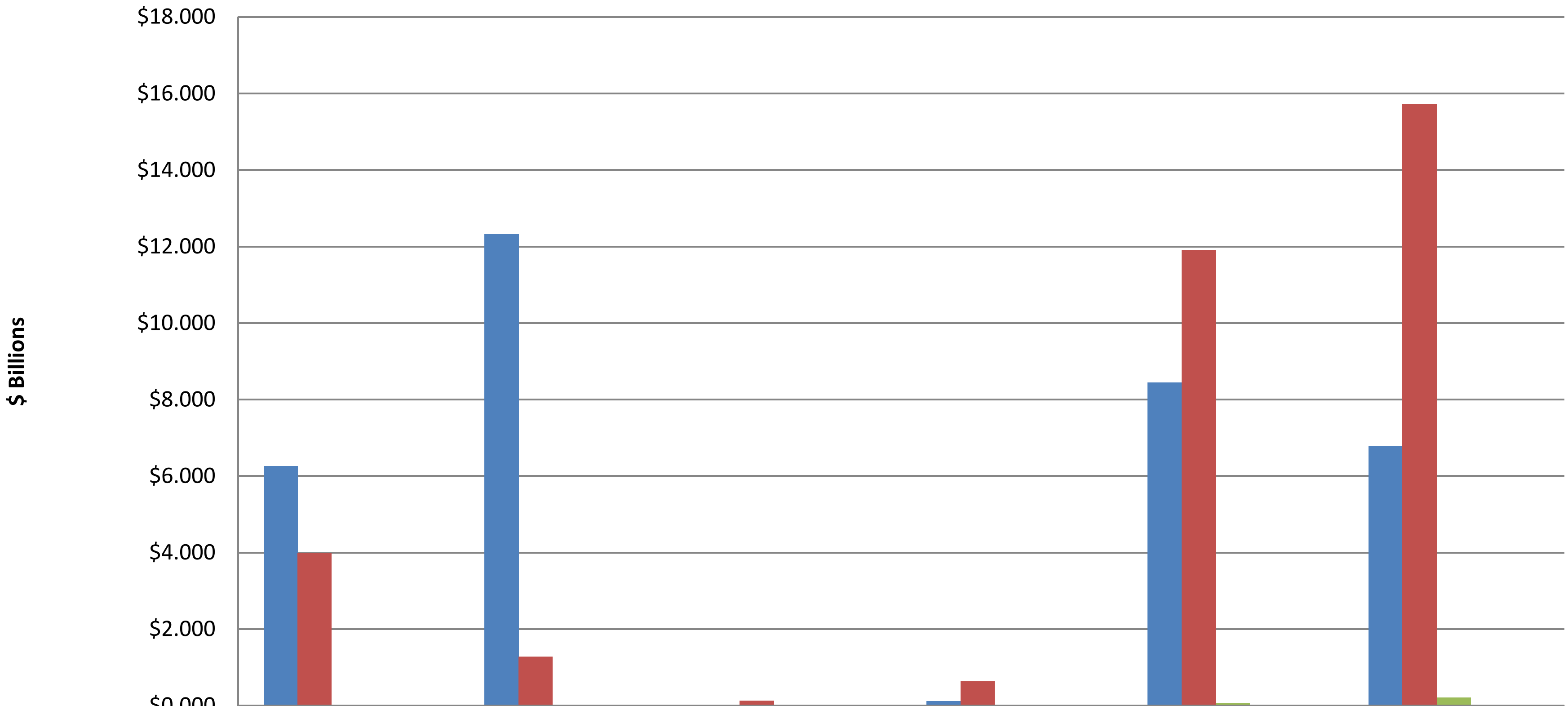
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$0.114	$7.248	$0.319	$1.285	$5.943	$1.397
Commercial Bank	$0.147	$4.226	$0.167	$3.810	$2.458	$24.884
Credit Union	$0.009	$0.844	$0.170	$0.160	$0.722	$0.592
Insurance Company	$0.000	$0.030	$0.200	$0.000	$0.528	$0.000
Other	$0.016	$0.033	$0.000	$0.000	$0.043	$0.040

New York Original Maturity of Advances By Borrower Type - Year End 2007



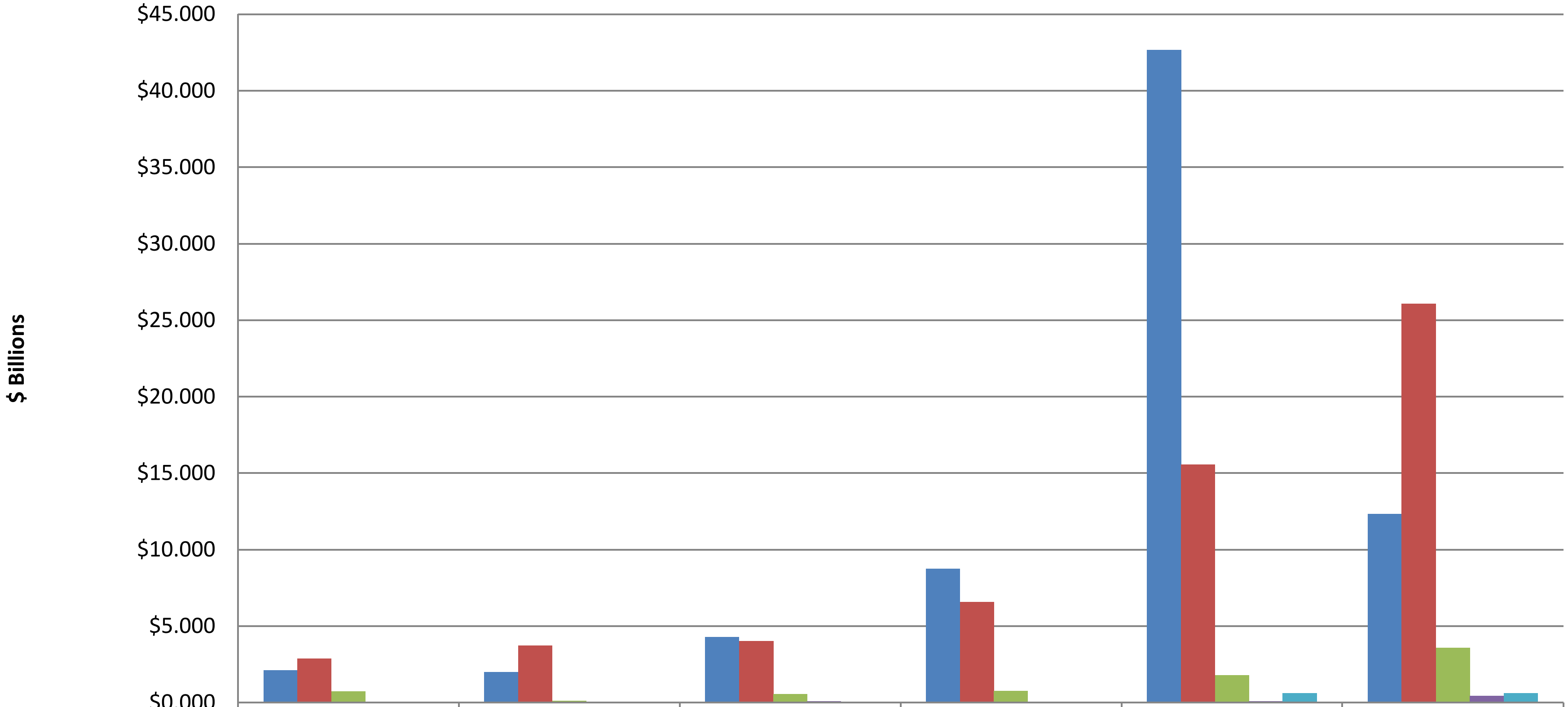
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$1.320	$0.569	$0.074	$1.062	$5.210	$28.939
Commercial Bank	$3.463	$2.266	$0.572	$3.612	$13.420	$14.167
Credit Union	$0.463	$0.268	$0.000	$0.018	$0.455	$0.155
Insurance Company	$0.000	$0.000	$0.000	$0.000	$2.350	$2.205
Other	$0.000	$0.000	$0.000	$0.000	$0.000	$0.003

Pittsburgh Original Maturity of Advances
By Borrower Type - Year End 2007



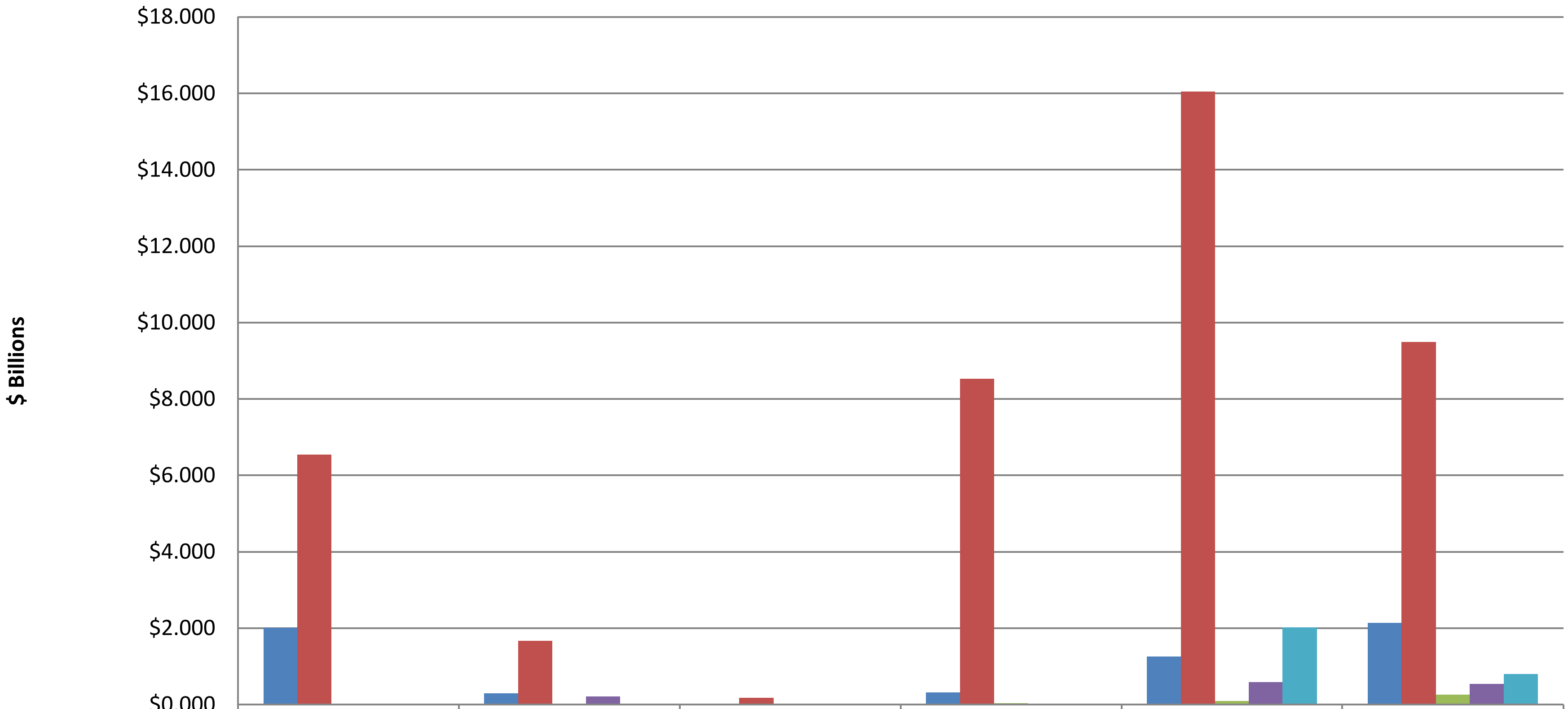
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$6.253	$12.327	$0.000	$0.114	$8.440	$6.789
Commercial Bank	$3.991	$1.267	$0.130	$0.626	$11.900	$15.727
Credit Union	$0.005	$0.000	$0.003	$0.004	$0.067	$0.206
Insurance Company	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
Other	$0.000	$0.000	$0.000	$0.004	$0.000	$0.006

Atlanta Original Maturity of Advances
By Borrower Type - Year End 2007



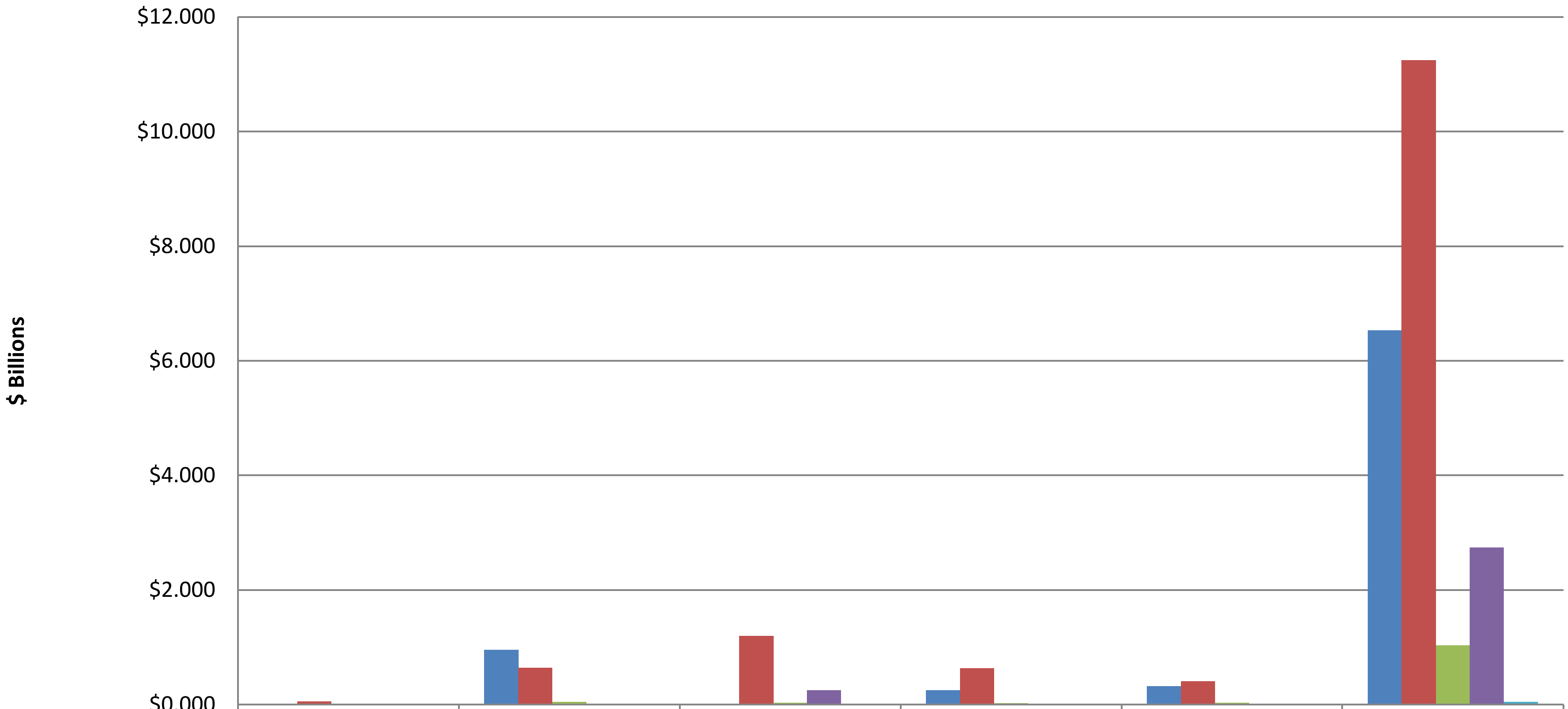
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$2.109	$1.983	$4.295	$8.741	$42.651	$12.309
Commercial Bank	$2.871	$3.713	$4.024	$6.579	$15.540	$26.073
Credit Union	$0.725	$0.101	$0.547	$0.757	$1.762	$3.571
Insurance Company	$0.000	$0.028	$0.068	$0.041	$0.068	$0.433
Other	$0.000	$0.000	$0.008	$0.005	$0.615	$0.612

Cincinnati Original Maturity of Advances
By Borrower Type - Year End 2007



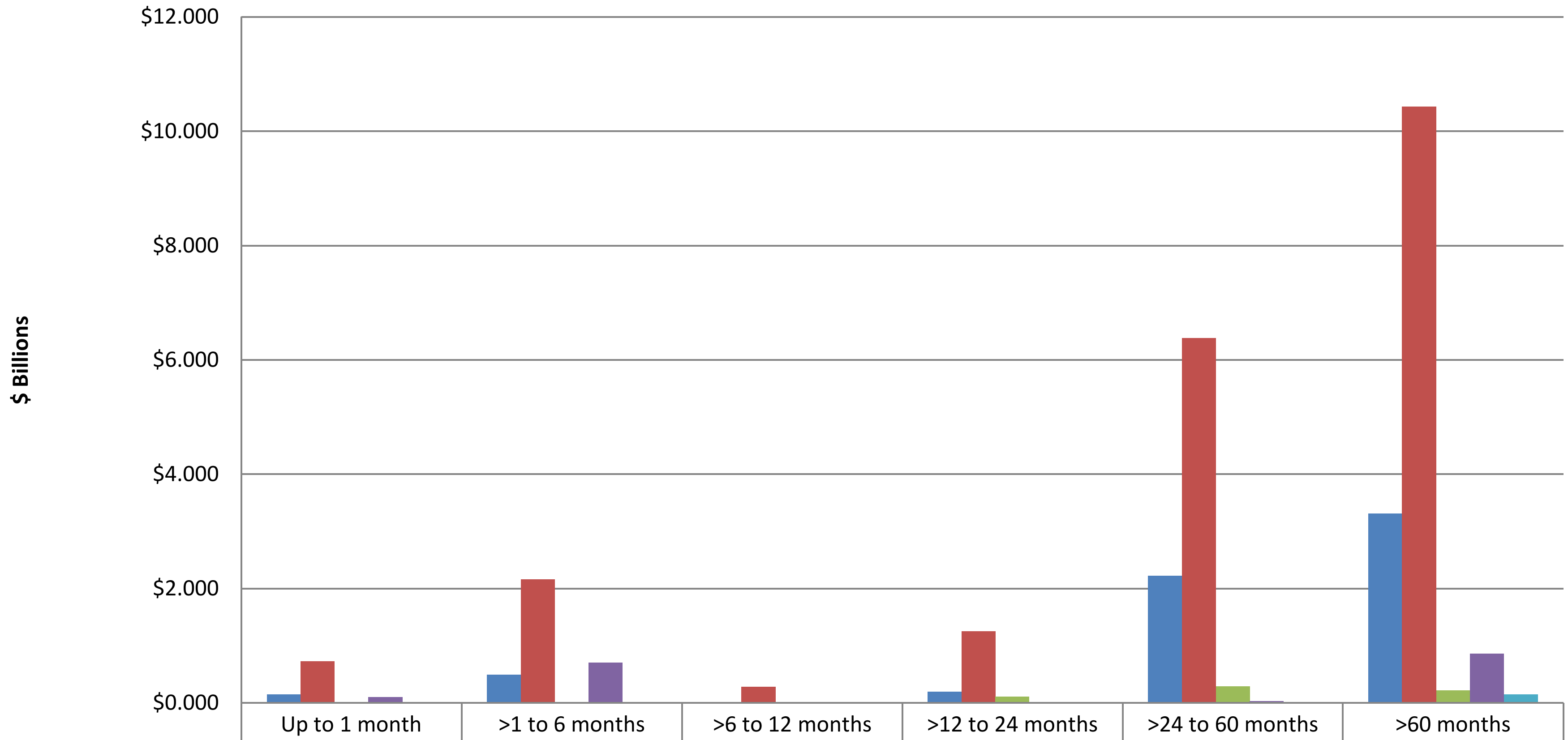
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$1.999	$0.287	$0.021	$0.319	$1.250	$2.133
Commercial Bank	$6.541	$1.665	$0.165	$8.518	$16.040	$9.486
Credit Union	$0.015	$0.026	$0.008	$0.027	$0.090	$0.249
Insurance Company	$0.000	$0.200	$0.000	$0.000	$0.577	$0.531
Other	$0.000	$0.000	$0.000	$0.000	$2.018	$0.787

Indianapolis Original Maturity of Advances
By Borrower Type - Year End 2007



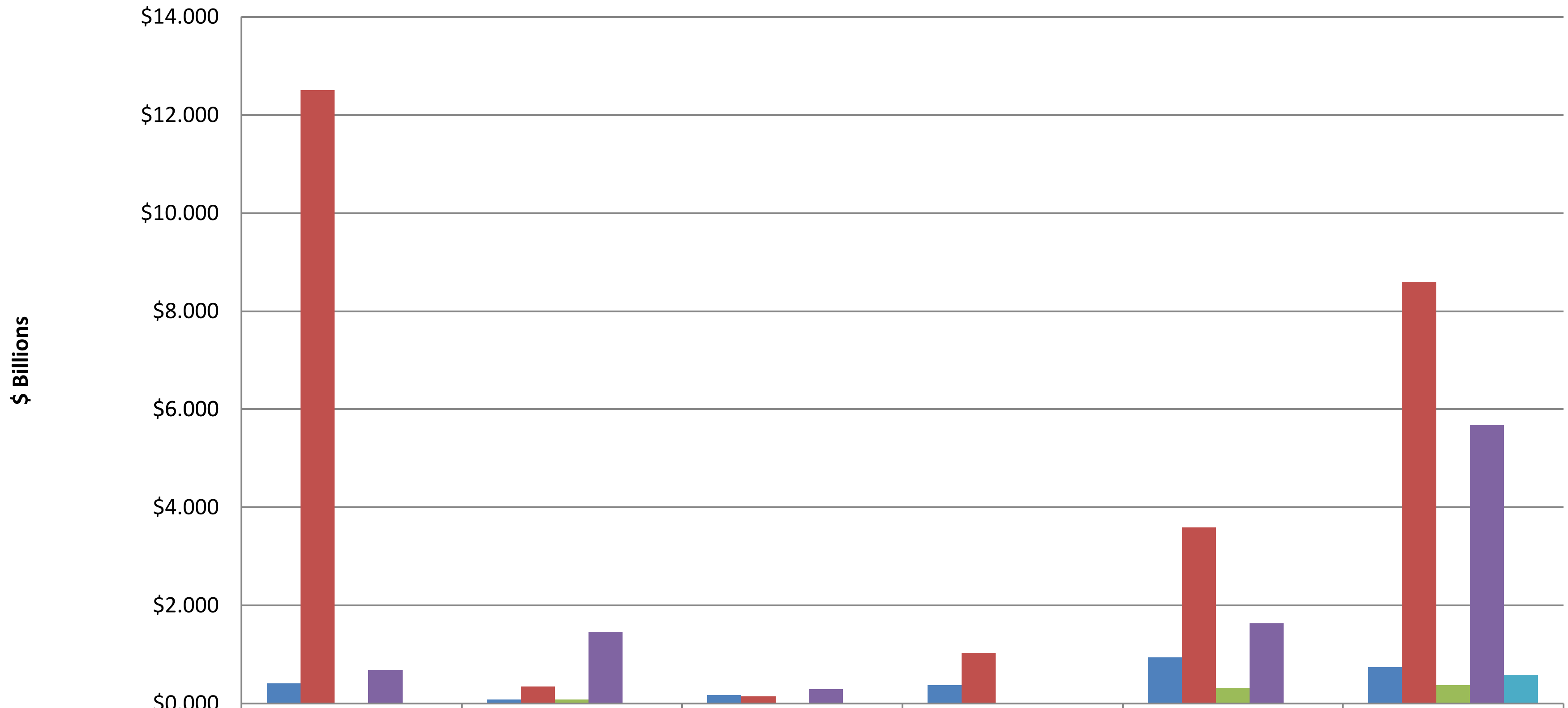
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$0.010	$0.950	$0.006	$0.249	$0.320	$6.533
Commercial Bank	$0.055	$0.644	$1.192	$0.633	$0.399	$11.244
Credit Union	$0.000	$0.044	$0.027	$0.020	$0.023	$1.027
Insurance Company	$0.000	$0.000	$0.250	$0.000	$0.000	$2.737
Other	$0.000	$0.000	$0.000	$0.000	$0.000	$0.038

Chicago Original Maturity of Advances
By Borrower Type - Year End 2007



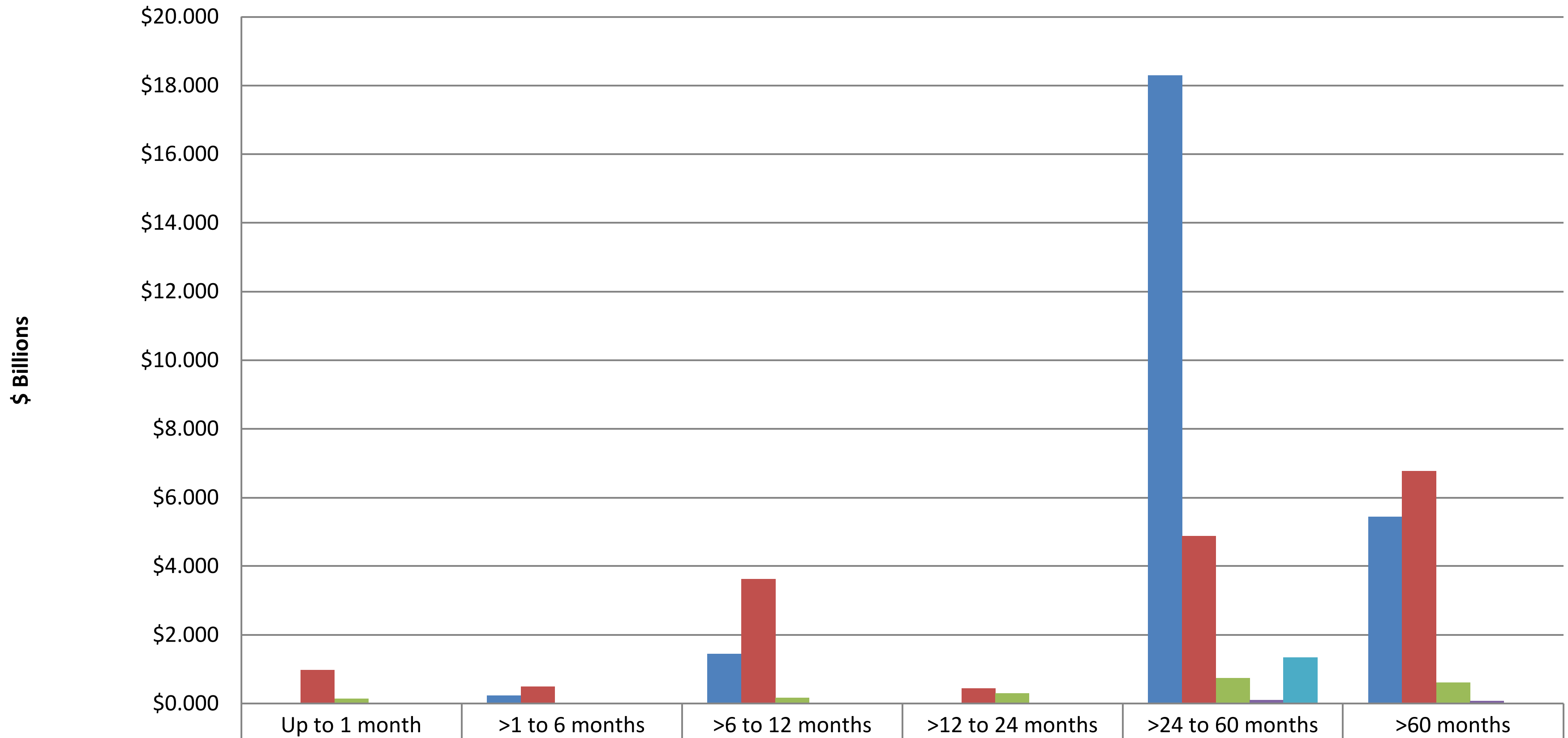
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$0.143	$0.490	$0.009	$0.196	$2.223	$3.312
Commercial Bank	$0.729	$2.160	$0.275	$1.247	$6.377	$10.424
Credit Union	$0.000	$0.010	$0.003	$0.106	$0.296	$0.218
Insurance Company	$0.100	$0.700	$0.000	$0.000	$0.025	$0.856
Other	$0.000	$0.000	$0.000	$0.000	$0.001	$0.144

Des Moines Original Maturity of Advances
By Borrower Type - Year End 2007

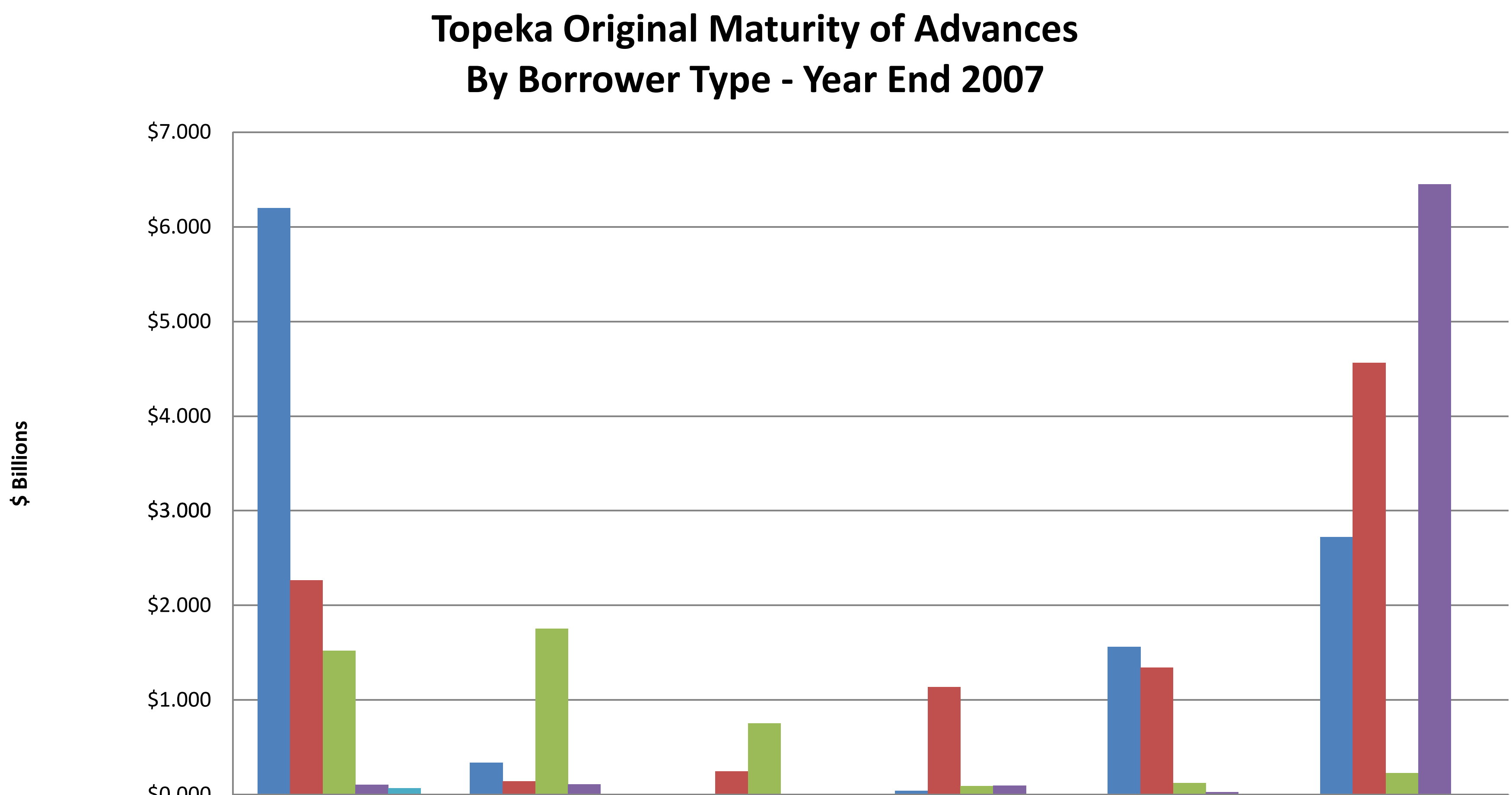


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$0.408	$0.078	$0.170	$0.369	$0.934	$0.738
Commercial Bank	$12.505	$0.338	$0.145	$1.028	$3.591	$8.588
Credit Union	$0.000	$0.082	$0.000	$0.014	$0.314	$0.371
Insurance Company	$0.688	$1.458	$0.296	$0.004	$1.633	$5.677
Other	$0.000	$0.000	$0.002	$0.000	$0.009	$0.584

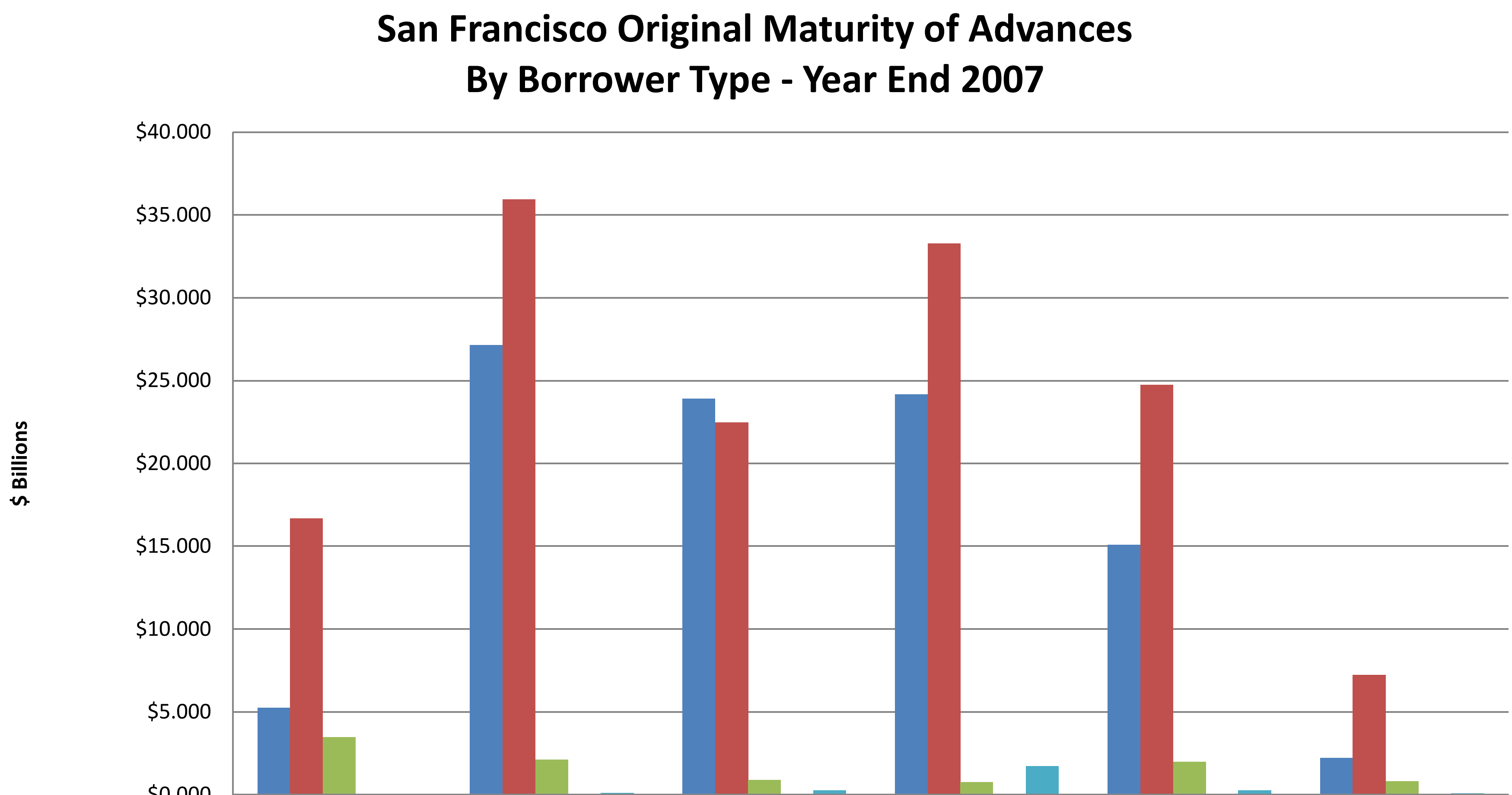
Dallas Original Maturity of Advances
By Borrower Type - Year End 2007



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$0.013	$0.240	$1.465	$0.008	$18.299	$5.453
Commercial Bank	$0.974	$0.490	$3.626	$0.431	$4.867	$6.777
Credit Union	$0.134	$0.018	$0.164	$0.291	$0.739	$0.600
Insurance Company	$0.000	$0.000	$0.008	$0.000	$0.117	$0.083
Other	$0.000	$0.000	$0.009	$0.000	$1.334	$0.000

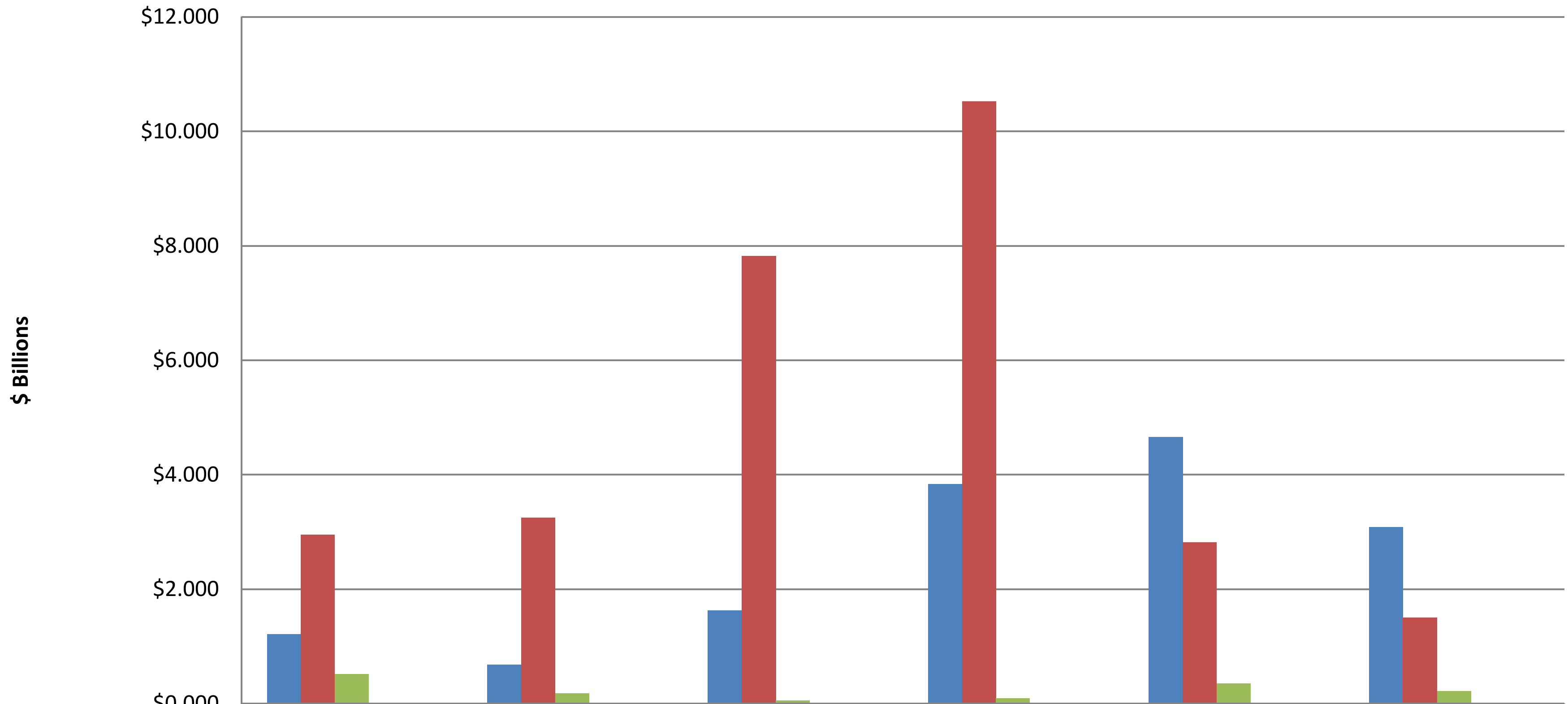


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$6.197	$0.335	$0.006	$0.037	$1.560	$2.723
Commercial Bank	$2.263	$0.140	$0.244	$1.135	$1.343	$4.563
Credit Union	$1.520	$1.752	$0.750	$0.087	$0.121	$0.229
Insurance Company	$0.102	$0.108	$0.007	$0.095	$0.022	$6.450
Other	$0.065	$0.000	$0.000	$0.000	$0.000	$0.000

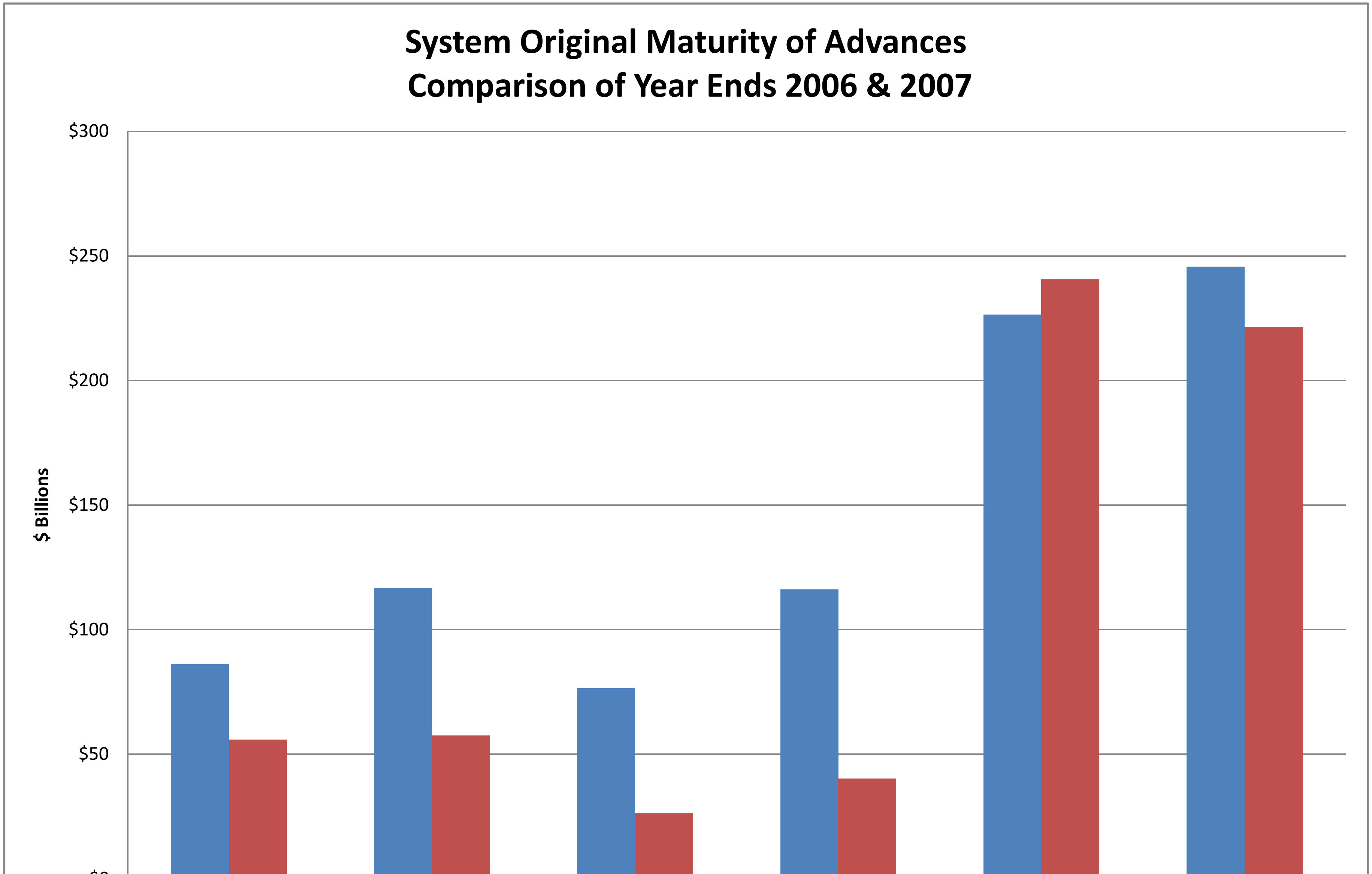


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$5.248	$27.147	$23.918	$24.162	$15.070	$2.209
Commercial Bank	$16.656	$35.936	$22.474	$33.259	$24.722	$7.212
Credit Union	$3.466	$2.113	$0.882	$0.748	$1.967	$0.787
Insurance Company	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
Other	$0.011	$0.107	$0.257	$1.729	$0.261	$0.073

Seattle Original Maturity of Advances
By Borrower Type - Year End 2007

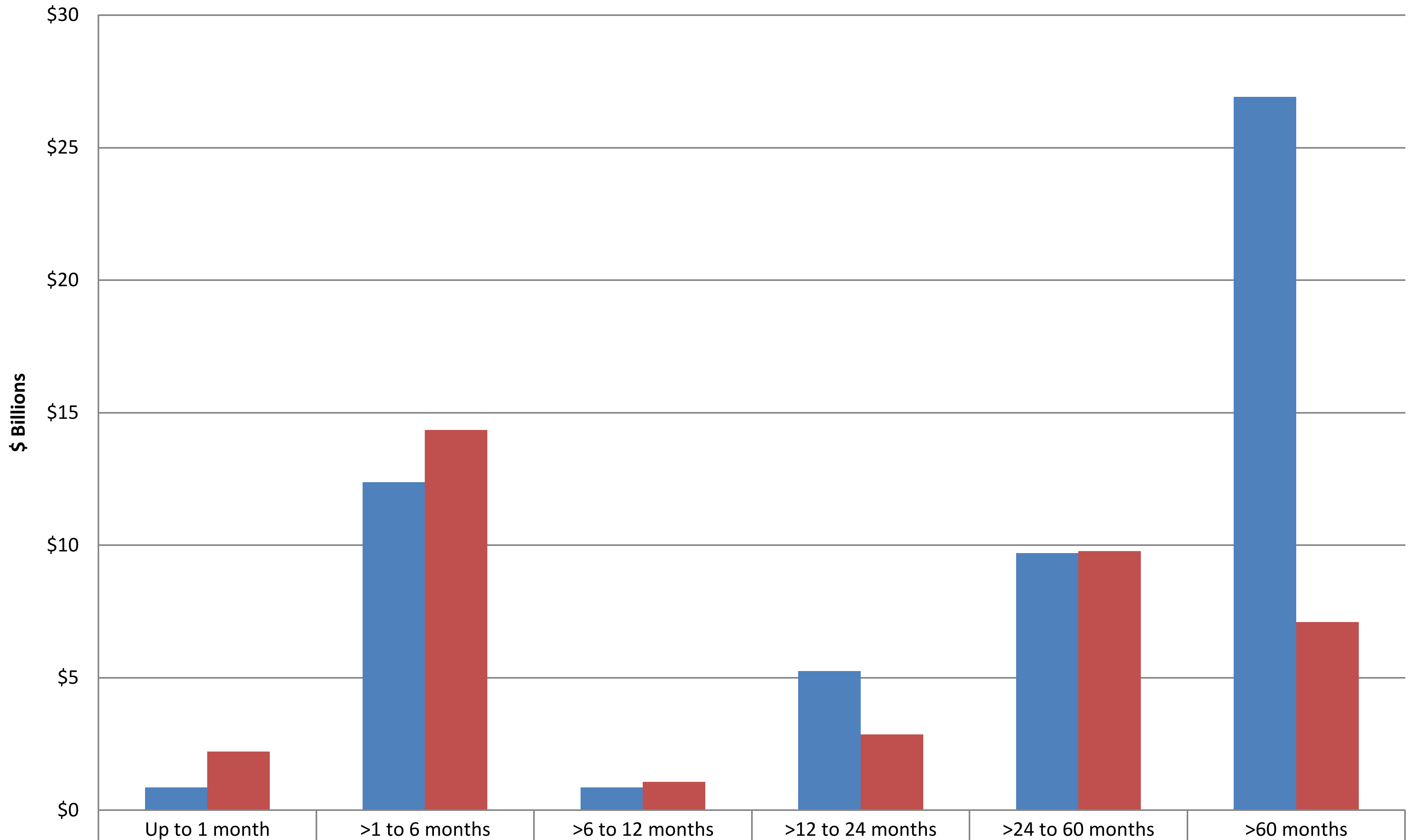


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
Thrift	$1.211	$0.682	$1.628	$3.834	$4.657	$3.083
Commercial Bank	$2.954	$3.246	$7.822	$10.525	$2.819	$1.500
Credit Union	$0.513	$0.173	$0.050	$0.090	$0.346	$0.217
Insurance Company	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
Other	$0.000	$0.000	$0.000	$0.000	$0.000	$0.007

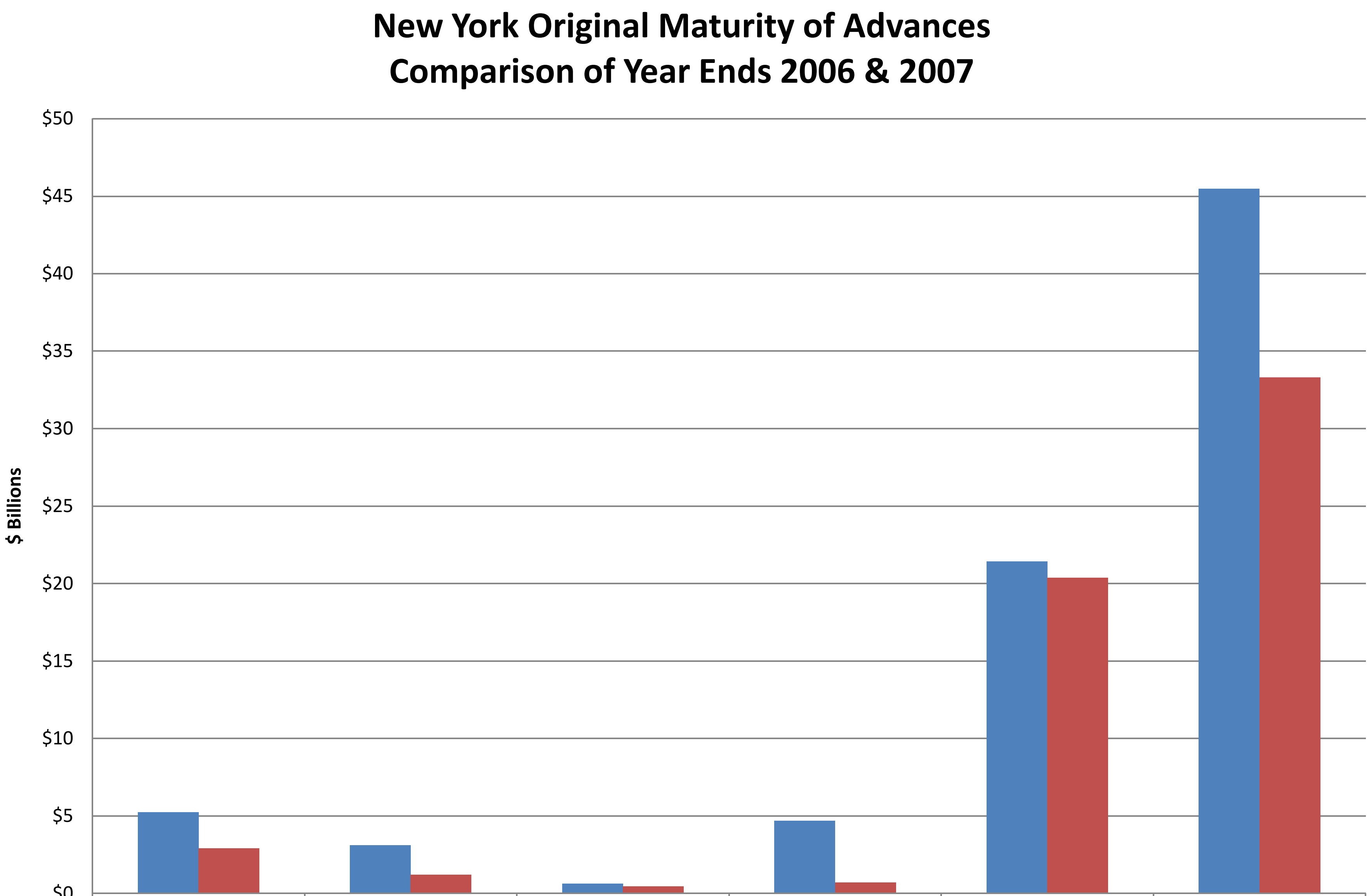


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$86	$117	$77	$116	$227	$246
2006	$56	$58	$26	$40	$241	$222

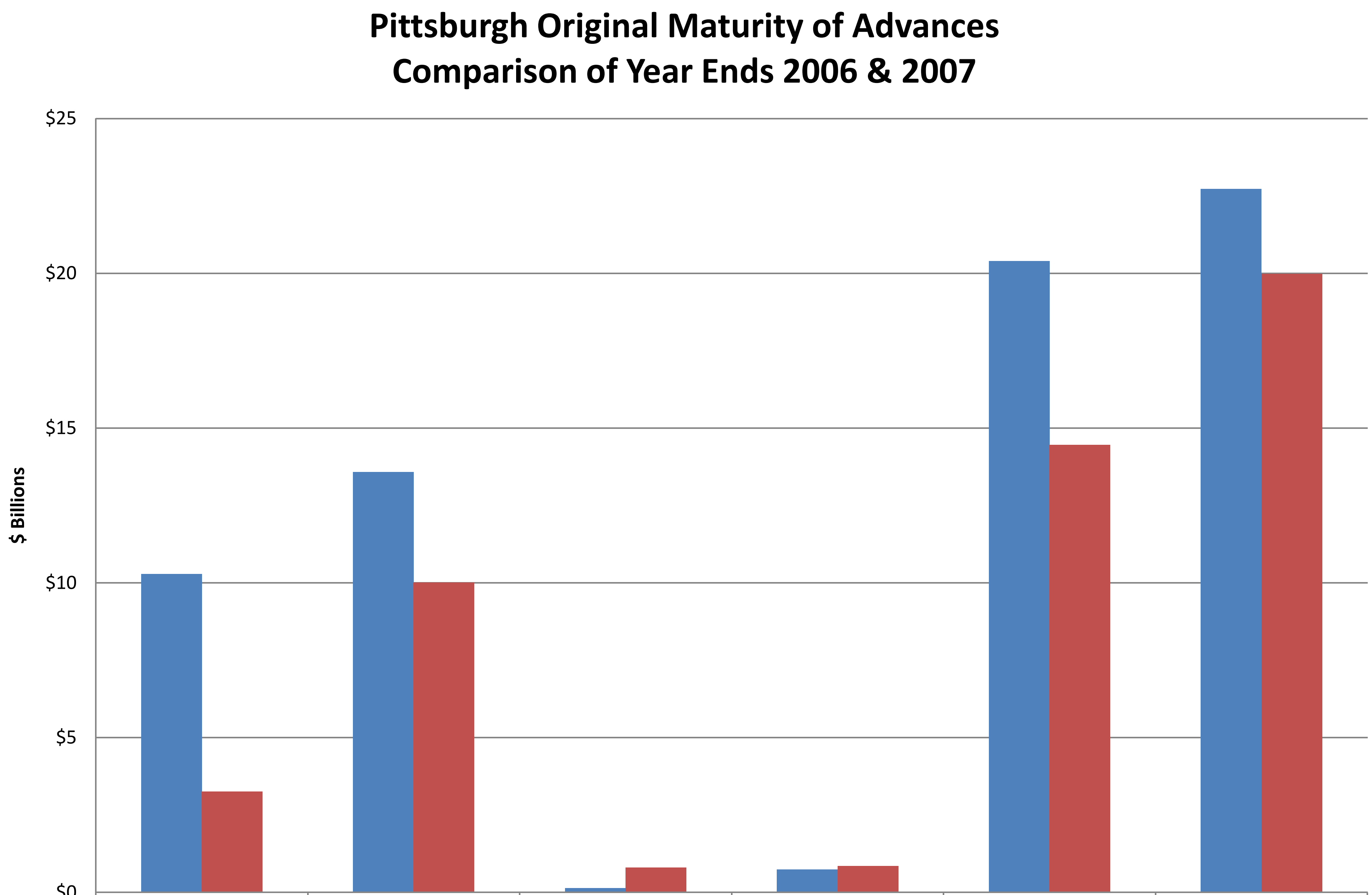
Boston Original Maturity of Advances
Comparison of Year Ends 2006 & 2007



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$1	$12	$1	$5	$10	$27
2006	$2	$14	$1	$3	$10	$7

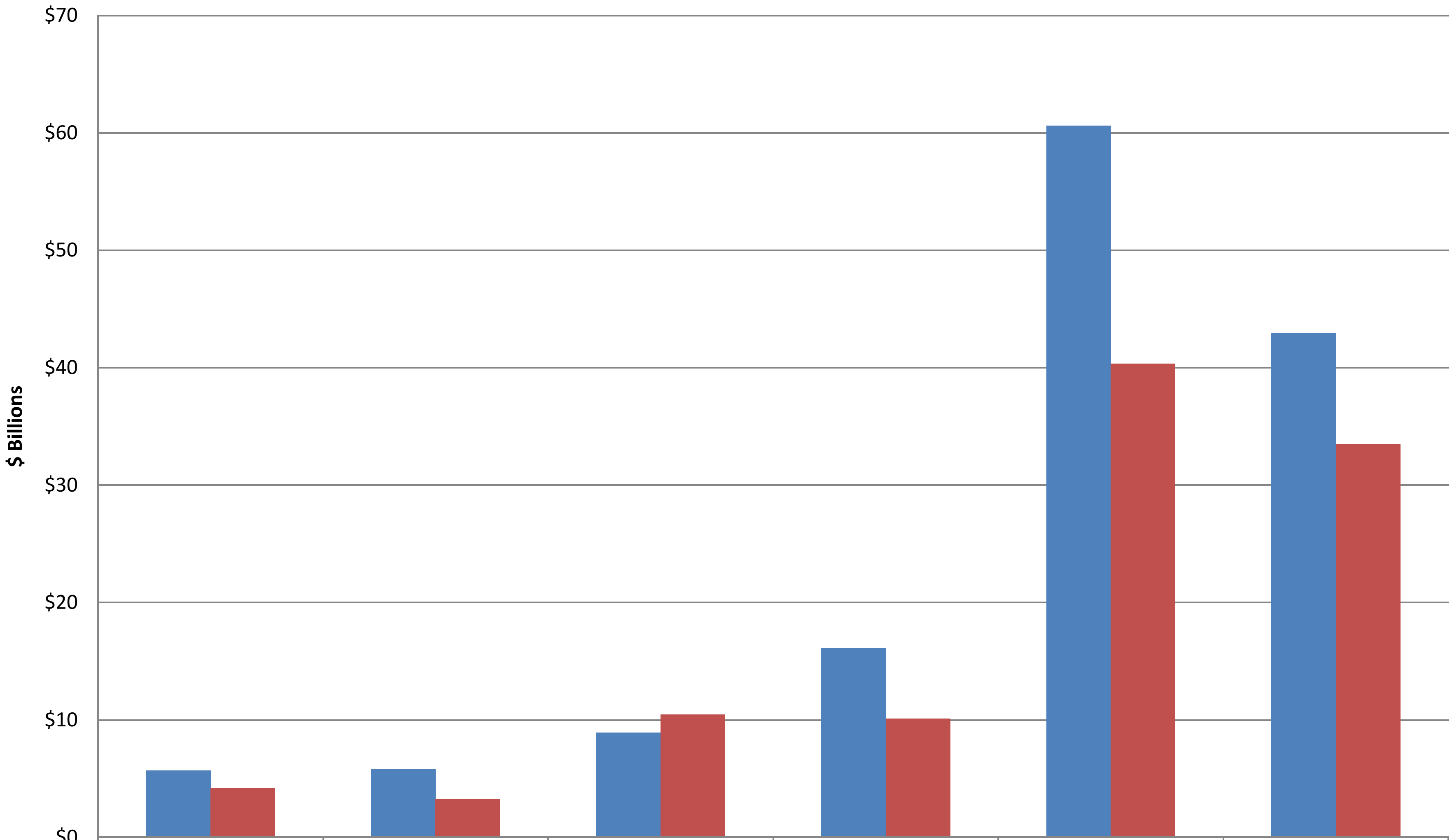


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$5	$3	$1	$5	$21	$45
2006	$3	$1	$0	$1	$20	$33

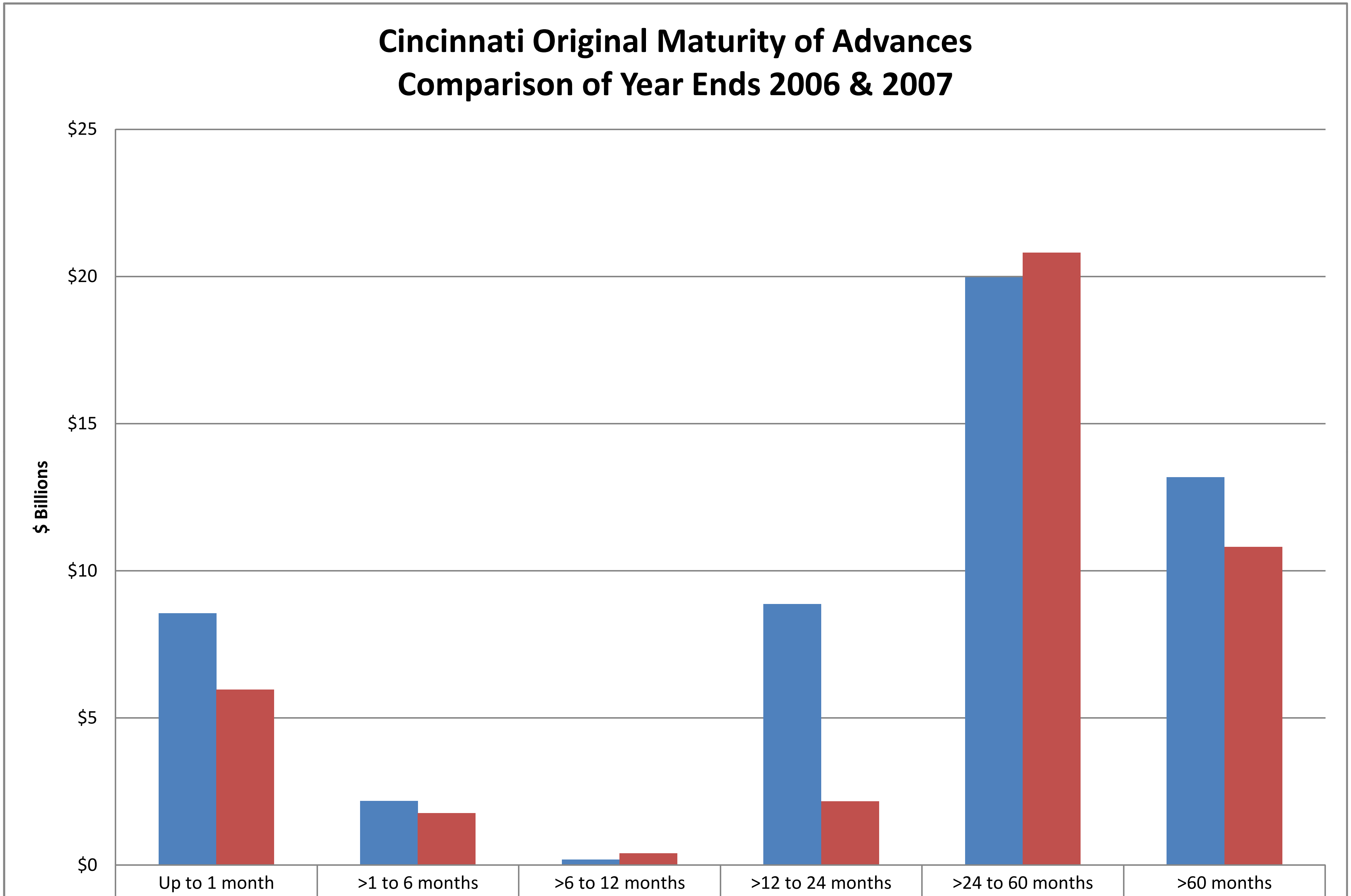


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$10	$14	$0	$1	$20	$23
2006	$3	$10	$1	$1	$14	$20

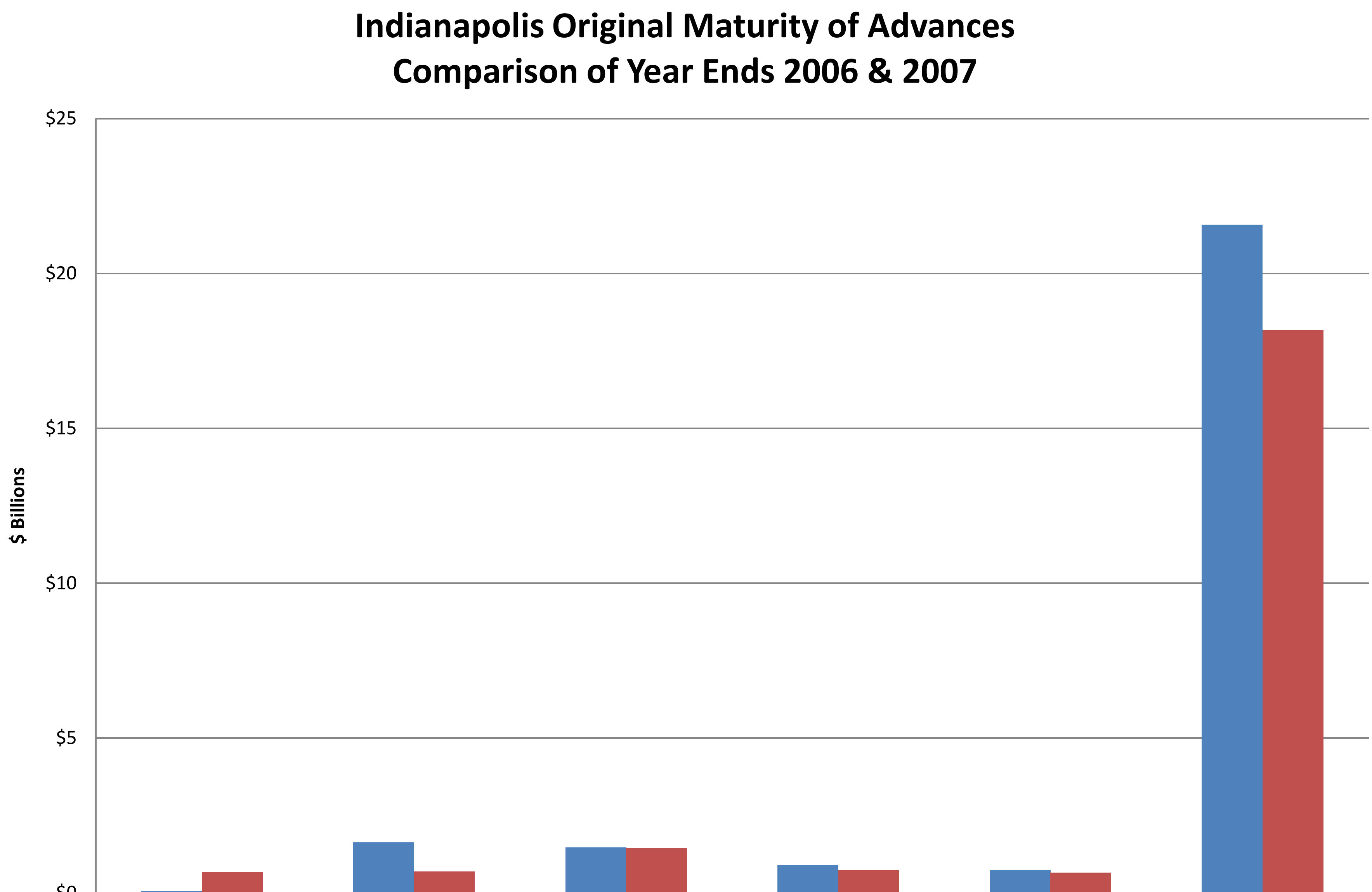
Atlanta Original Maturity of Advances
Comparison of Year Ends 2006 & 2007



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$6	$6	$9	$16	$61	$43
2006	$4	$3	$10	$10	$40	$34

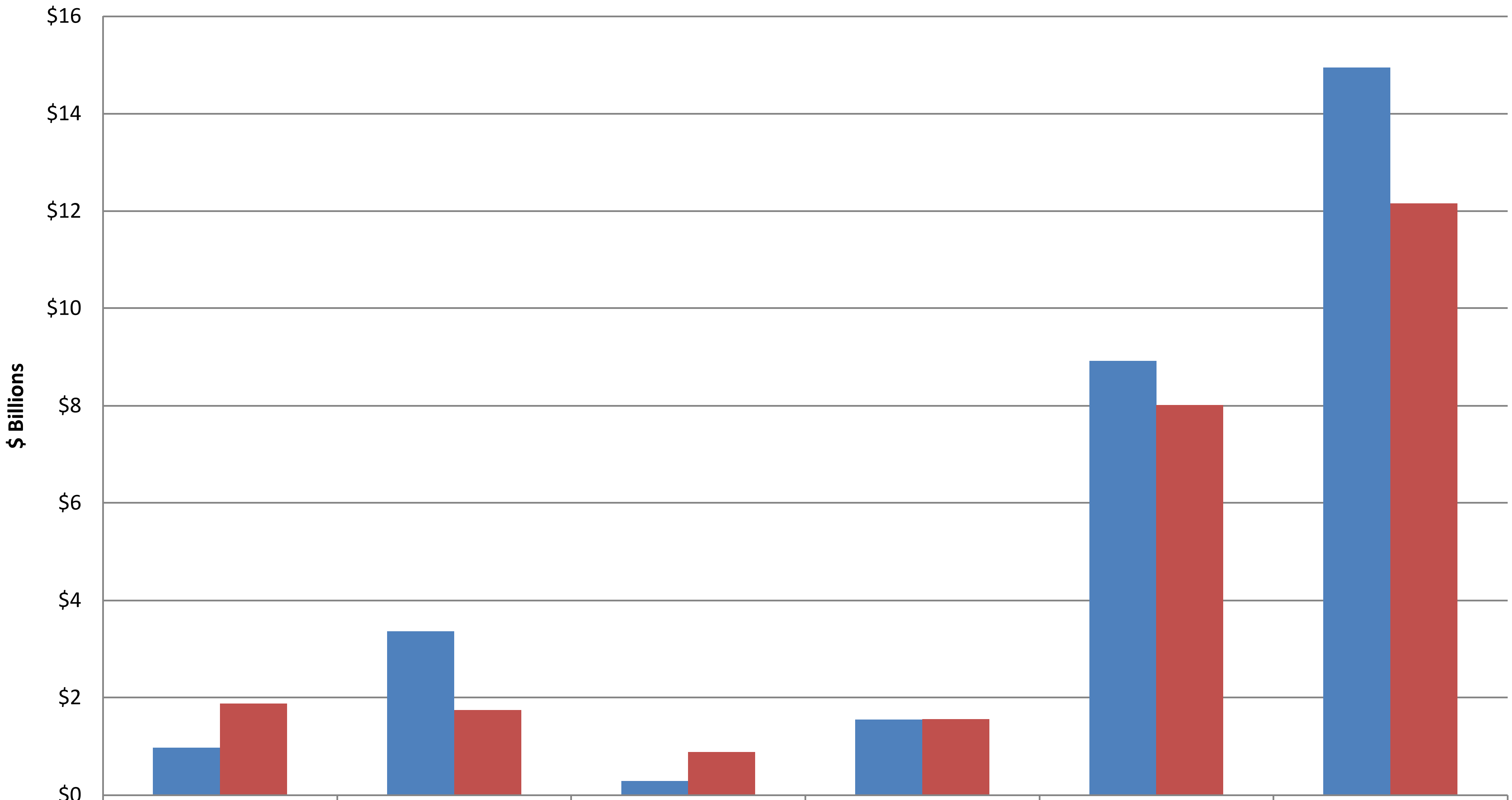


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$9	$2	$0	$9	$20	$13
2006	$6	$2	$0	$2	$21	$11

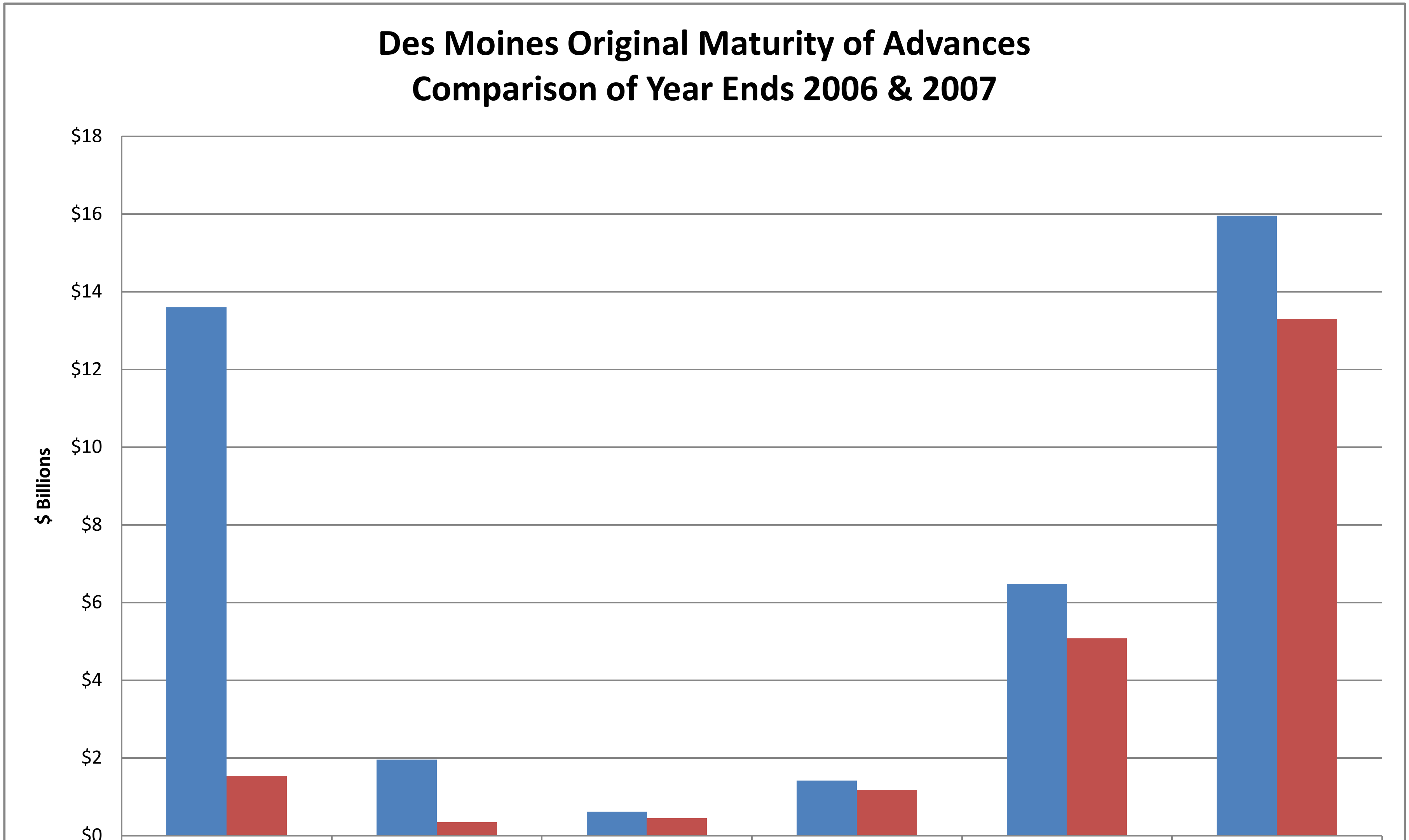


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$0	$2	$1	$1	$1	$22
2006	$1	$1	$1	$1	$1	$18

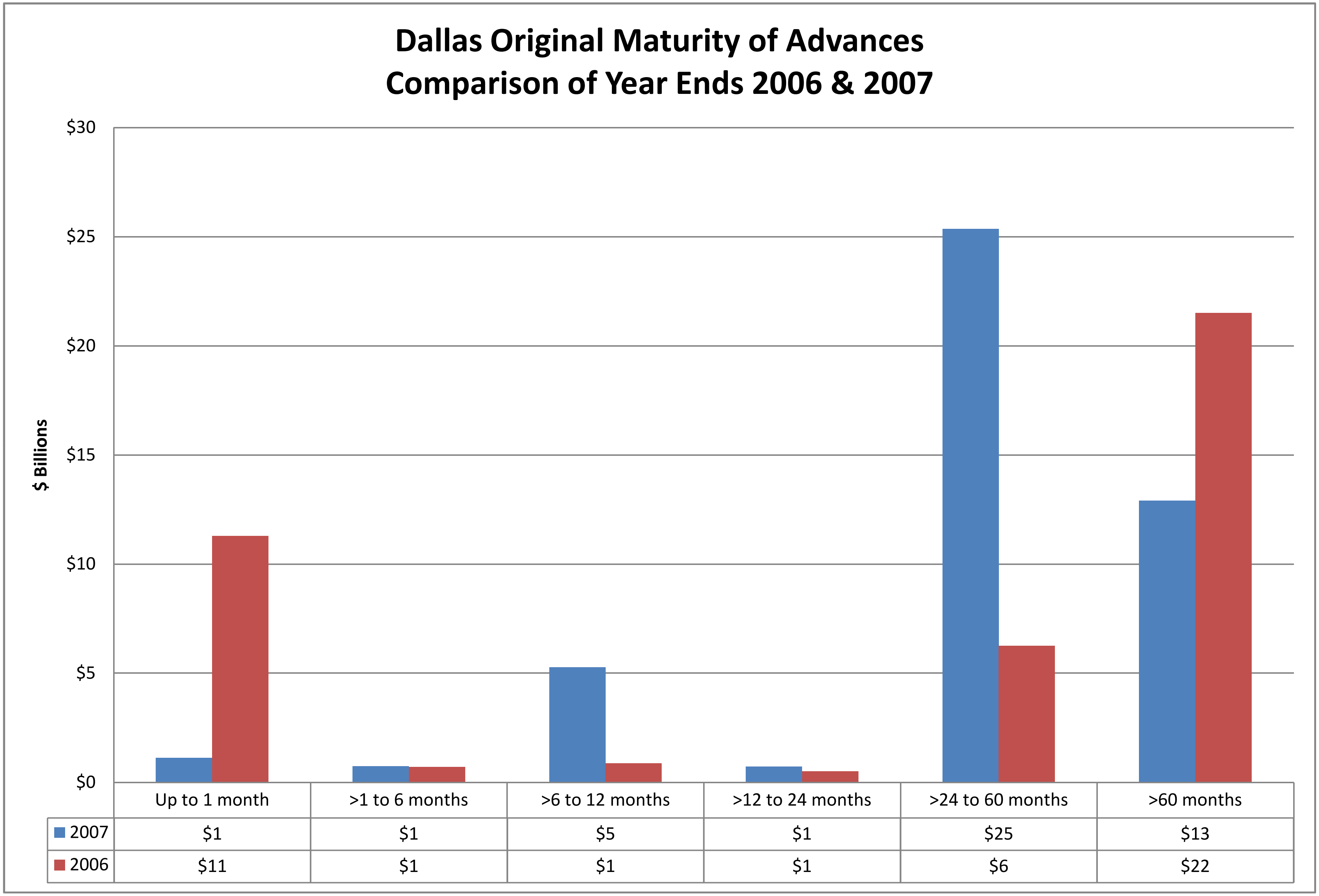
Chicago Original Maturity of Advances
Comparison of Year Ends 2006 & 2007



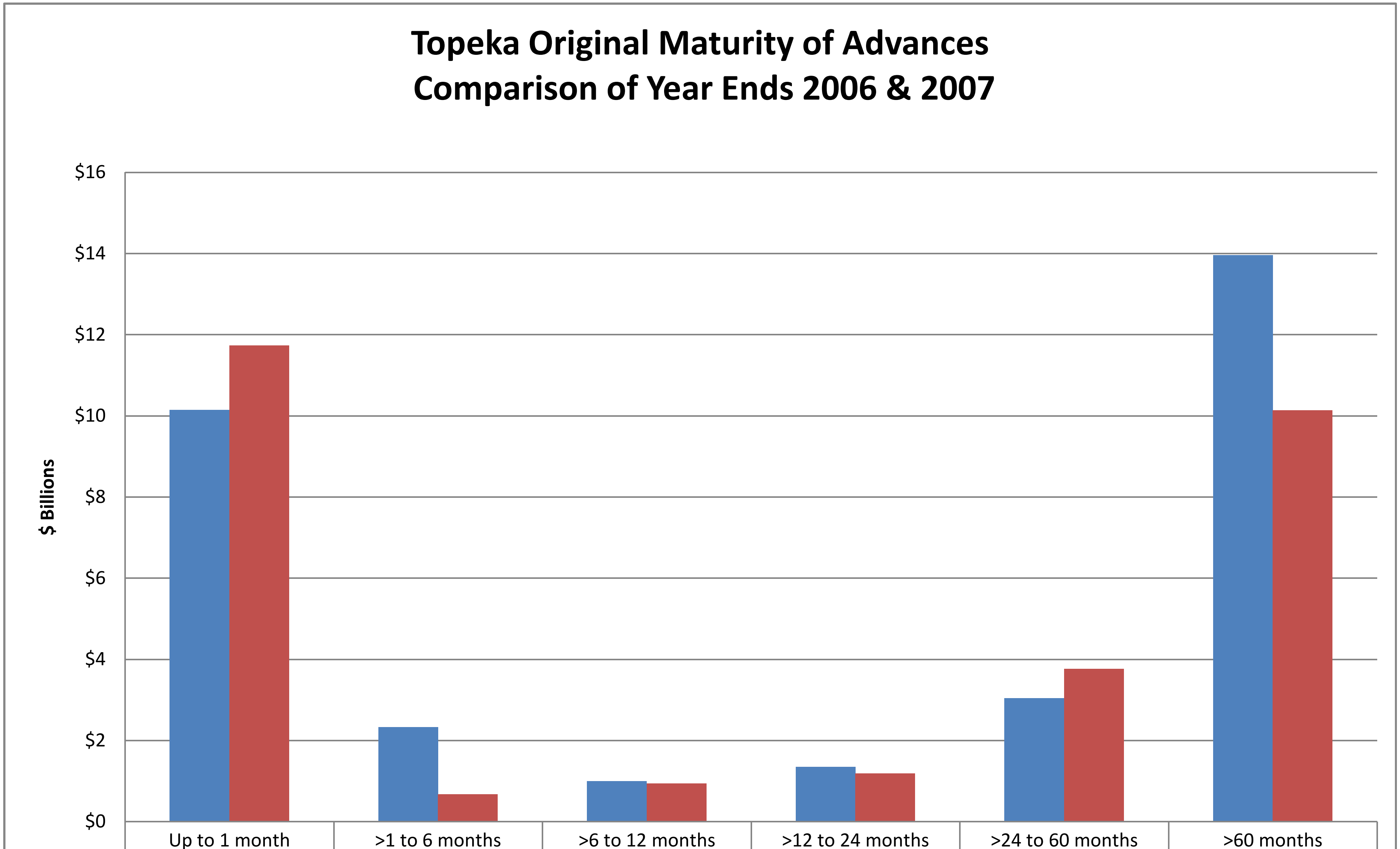
	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$1	$3	$0	$2	$9	$15
2006	$2	$2	$1	$2	$8	$12



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$14	$2	$1	$1	$6	$16
2006	$2	$0	$0	$1	$5	$13

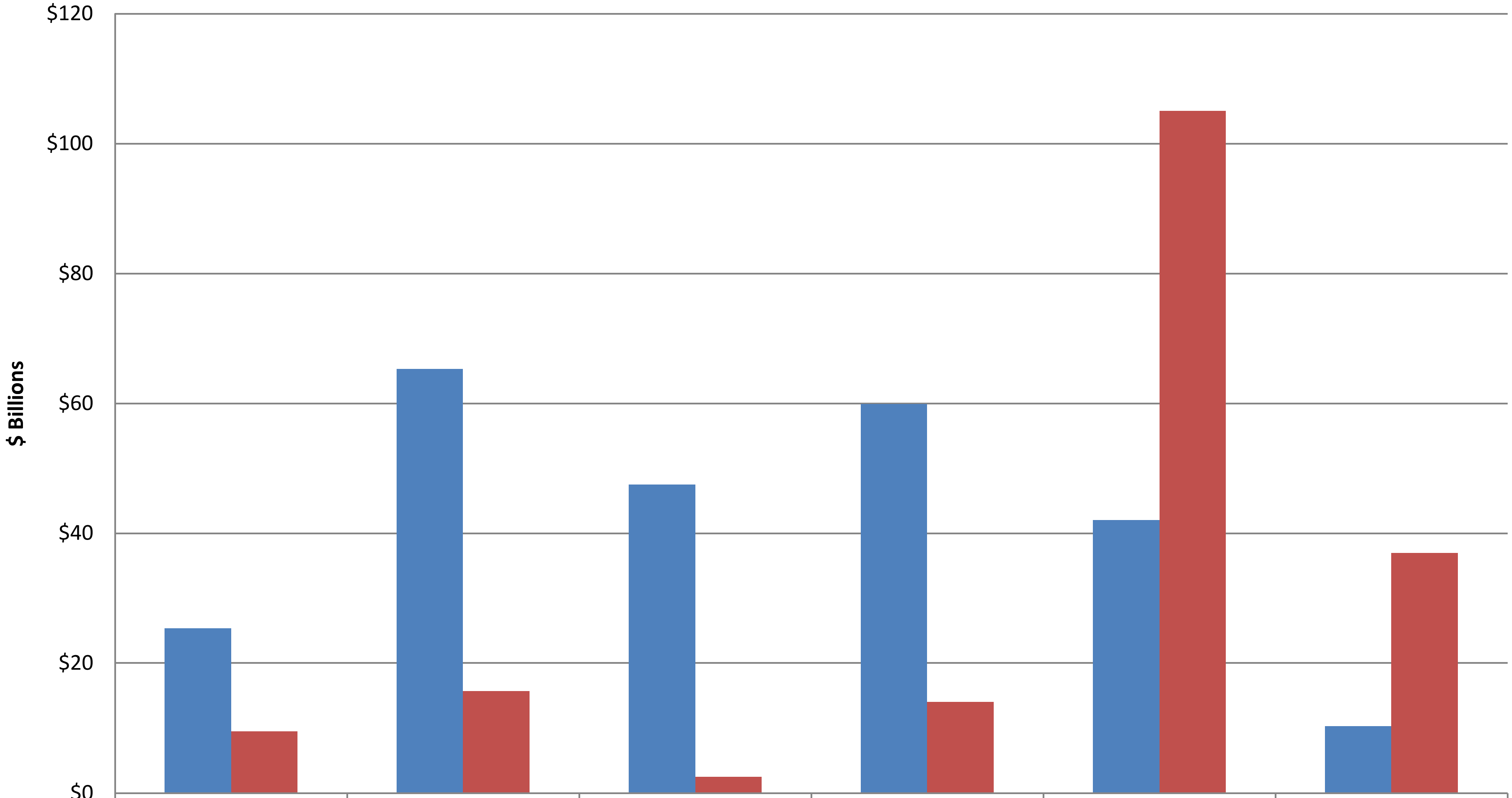


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$1	$1	$5	$1	$25	$13
2006	$11	$1	$1	$1	$6	$22

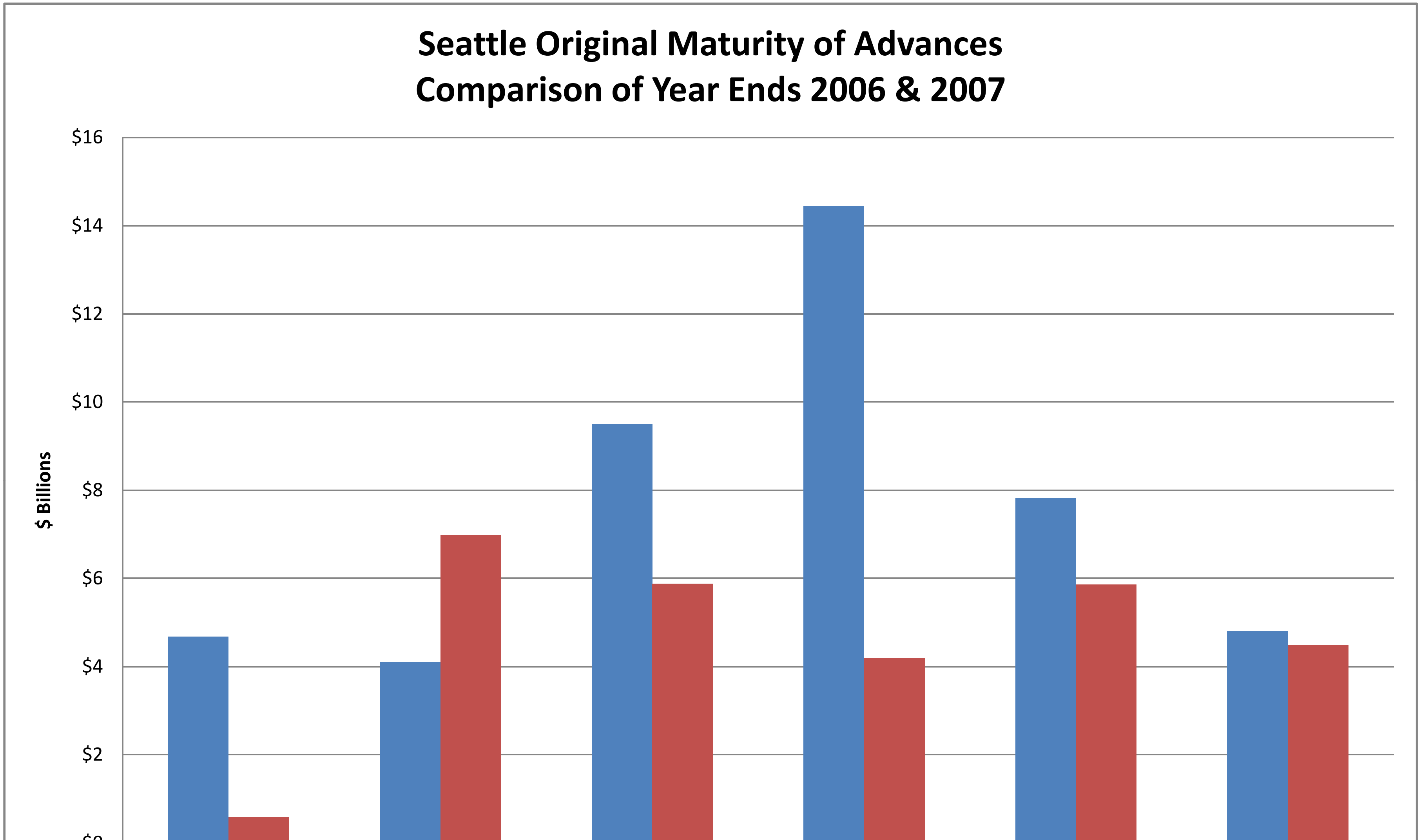


	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$10	$2	$1	$1	$3	$14
2006	$12	$1	$1	$1	$4	$10

San Francisco Original Maturity of Advances
Comparison of Year Ends 2006 & 2007



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$25	$65	$48	$60	$42	$10
2006	$10	$16	$3	$14	$105	$37



	Up to 1 month	>1 to 6 months	>6 to 12 months	>12 to 24 months	>24 to 60 months	>60 months
2007	$5	$4	$10	$14	$8	$5
2006	$1	$7	$6	$4	$6	$4