

Date: April 29, 2011

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Note: This release by the Council of Federal Home Loan Banks is intended to provide comment on the Preliminary Unaudited First Quarter 2011 Combined Operating Highlights for the Federal Home Loan Banks announced today by the Office of Finance of the Federal Home Loan Banks. For details on the announcement, see the Office of Finance release on www.fhfb-of.com

Federal Home Loan Banks "Important Supply of Long-Term Funding and Liquidity" to Community Banks

Washington, DC --- Preliminary financial highlights released today on the first quarter 2011 performance of the Federal Home Loan Banks show the 12 regional cooperatives "continue to serve as an important supply of long-term funding and liquidity for thousands of U.S. community lending institutions," according to John von Seggern, president and CEO of the Council Federal Home Loan Banks.

The Office of Finance of the Federal Home Loan Banks today announced preliminary unaudited combined operating highlights for the first three months of this year.

"Particularly in the period following the nation's financial crisis, community-based lenders have proven to be reliable suppliers of credit for homes, businesses, jobs and growth," said von Seggern. "These institutions are the member-owners who make the Federal Home Loan Banks an engine for economic stability. They look to us daily to raise funds for them on the global markets."

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The Federal Home Loan Banks are a system of regional cooperative banks from which local lending institutions in the U.S. borrow funds. While they provide billions of dollars for housing and community development every year, the amount of their funding to local institutions rises and falls depending on demand and broader economic activity.

“The expansion and contraction of advances reflects how institutions of all sizes use a variety of funding sources to provide credit to customers and communities,” von Seggern said. “That flexibility is a great asset to the members of these regionally based cooperatives as together they serve changing local credit needs.”

The Federal Home Loan Banks have more than 7,800 members. Member institutions include community banks, credit unions, community development financial institutions and insurance companies. When these institutions lend in their communities, they often are using the funds from the Federal Home Loan Banks. In 2010, Home Loan Banks provided more than \$500 billion in funding daily to America’s community lenders.

The Council of Federal Home Loan Banks is the public voice of the Federal Home Loan System. Incorporated in 1998, the non-profit trade association is based in Washington, DC. The Council’s primary function is to represent the positions and views of the Council’s members to Washington policymakers. The Council consists of director and officer representatives of all 12 Federal Home Loan Banks.

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