



Statement by

John Fisk, CEO of the FHLBanks Office of Finance

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The U.S. Treasury is creating a backstop lending facility for the 12 Federal Home Loan Banks.

This secured facility is an implementation of the authority granted by Congress in the Housing and Economic Recovery Act, which allows the U.S. Treasury Secretary to provide financial support to the housing GSEs. This Act became law on July 30, 2008. Borrowings under the backstop facility would be secured by Federal Home Loan Bank assets. These assets would include loans to Federal Home Loan Bank members and GSE mortgage-backed securities.

We are pleased that the U.S. Treasury is creating this backstop facility to ensure stability and market access. In making this facility available, Treasury is providing consistent support for all housing GSEs, and recognizing the critical role performed by the Federal Home Loan Banks in providing liquidity to the U.S. banking system.

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The FHLBanks have delivered innovation and service to the U.S. housing market for 76 years, and currently have more than 8,000 members in all 50 states, American Samoa, Guam, Puerto Rico, and the Northern Mariana and U.S. Virgin Islands. Please contact Mike Ciota at 703-467-3608 for additional information.

Statements contained in this release may be "forward-looking statements." By their nature, these forward-looking statements, including those related to the operations of the FHLBanks, are subject to risks and uncertainties related to the operations of the FHLBanks and the business environment, all of which are difficult to predict and many of which are beyond the control of the FHLBanks. These risks and uncertainties could cause actual results to differ materially from those expressed or implied in forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. Such risks and uncertainties include the following: changes in interest rates, housing prices, employment rates and the general economy; the size and volatility of the residential mortgage market; demand for FHLBank advances; volatility of market prices, rates, and indices or other factors, including natural disasters, that could affect the value of investments or collateral held by the FHLBanks as security; political events, including legislative, regulatory, judicial or other developments that affect the FHLBanks, their members, counterparties and/or investors in the consolidated obligations of the FHLBanks; competitive forces, including other sources of funding available to FHLBank members, and the ability to attract and retain skilled individuals; the pace of technological change and the ability to develop and support technology and information systems; changes in investor demand for consolidated obligations and/or the terms of interest-rate exchange agreements and similar agreements; the application of accounting rules, such as SFAS 133; and the ability to introduce new FHLBank products and services and successfully manage the risks associated with those products and services. Investors are encouraged to consider these and other risks and uncertainties that are discussed in periodic combined financial reports posted on the Office of Finance website, www.fhblb-of.com, and in reports filed by each FHLBank with the Securities and Exchange Commission.