



August 8, 2011

FOR IMMEDIATE RELEASE:

Office of Finance Announces that S&P has Downgraded the Long-Term Ratings of FHLBanks Following the U.S. Government Downgrade; Short-Term Ratings Remain Unchanged

Standard & Poor's Ratings Services (S&P) has downgraded the long-term credit ratings on the senior unsecured debt issues of the Federal Home Loan Bank System (System) and 10 of 12 Federal Home Loan Banks (FHLBanks) from 'AAA' to 'AA+.' In addition, the System's senior unsecured debt issues and the 12 FHLBanks are now on negative outlook. S&P has removed these ratings from CreditWatch with negative implications, after giving them that designation on Friday, July 15. S&P's actions did not affect the short-term 'A-1+' ratings of the FHLBanks and the System's debt issues.

These ratings actions reflect S&P's downgrade of the long-term sovereign credit rating of the United States of America from 'AAA' to 'AA+' with a negative outlook. In the application of S&P's Government Related Entities (GRE) criteria, the ratings of the FHLBanks and the System are constrained by the long-term sovereign rating of the U.S.

For more information regarding this action please visit the S&P website at www.standardandpoors.com.

The FHLBanks have delivered innovation and service to the U.S. housing market since 1932, and currently have over 7,700 members in all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands. Obligations of the FHLBanks are not obligations of the United States and are not guaranteed by either the United States or any government agency. Please contact Kevin Kincaid at 703-467-3608 or kkincaid@fhlb-of.com for additional information.