



Federal Housing Finance Agency

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Roundtable Recap: FHLBank Support for Rural Communities

Indianola, MS | November 21, 2022

This *FHLBank System at 100: Focusing on the Future* regional roundtable in Indianola, Mississippi focused on FHLBank support for rural communities. The discussion led off with discussion of housing challenges in rural areas, including a lack of affordability and supply, and a lack of decent housing as much of the rural housing stock is older and requires substantial repair. Moreover, in many communities, the cost of housing construction far exceeds the home value once built. Participants also mentioned difficulty establishing homebuyer creditworthiness and the importance of teaching financial literacy in high school.

Throughout the discussion, there was mention of how the FHLBanks treat CDFI members differently – including collateral haircuts that are higher despite CDFIs experiencing few losses in their loan portfolios, and significantly higher transaction costs. Participants suggested the FHLBanks should provide greater access to capital for CDFIs and other financial institutions that serve rural, disadvantaged, and underserved communities.

Participants acknowledged the importance of the FHLBanks' grant programs but argued for the FHLBanks to look at how their balance sheets are deployed -- in particular to evaluate whether they advance racial equity by increasing investment to narrow the racial wealth gap, getting capital where it doesn't easily go, and defining equity creatively. Further, participants urged that efforts should be made to expand the developer pool to include more people of color and women. It was stressed that programs are effective when they are not designed as a one size fits all. Participants recommended larger grants and more flexibilities for programs funding home repairs and encouraged incentivizing members to use advances for small business loans. They advised that FHLBanks should sponsor housing resource events that include marketing, outreach, and training.

In conjunction with the Indianola roundtable, FHFA staff participated in sites visited hosted by the Greater Greenville Housing & Revitalization Association, Inc., the Delta Design Build Workshop, and Delta



Housing Development Corporation. The site visits included tours of the Ed Gray Housing Complex in Greenville MS; Eastmoor Circle Housing Development in Moorhead, MS; and Charles Scattergood Project in Indianola, MS.

FHFA prepared this roundtable recap to summarize key discussion points. Please [visit the website](#) to view the full roundtable transcript and video recording.