



Federal Housing Finance Agency

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Roundtable Recap: FHLBank Member Products and Services

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This *FHLBank System at 100: Focusing on the Future* roundtable focused on FHLBank member products and services. The discussion started with participants sharing the housing and community needs in their communities, including the limited availability of affordable housing and capital tools to fund development, lack of developer capacity to bring housing to the market, rising construction costs and interest rates, lack of interest by the banking community in providing financing for affordable housing development, aging housing stock in need of rehab and repair, the lack of affordable housing for extremely low-income households and households above regulatory income eligibility limits, and the need for a more diverse developer pool that reflects the community being served.

There was general agreement on the value of the FHLBanks in providing capital to communities; however, a participant stated that there are gaps and that more could be done by the FHLBanks. It was mentioned that the FHLBanks need to understand local credit needs and fashion products to meet those needs; and also that FHLBanks need to share their products with each other as certain products may be beneficial on a national level. Participants believed the FHLBanks should evaluate outcomes, not just outputs – understanding how their products and programs change people’s lives. Participants offered ways to collect and evaluate data to make this assessment. Further, it was encouraged to hold members accountable for giving back to their communities.

Participants shared opportunities for the FHLBanks to increase their support to communities, including by increasing the financial contributions they make and by learning more about the communities in their districts. Further, participants argued that it is important to invest in innovative organizations, including by maximizing CDFI access to FHLBank products. A participant expressed that FHLBanks could incrementally increase risk tolerance without jeopardizing their performance.

Pilot programs were suggested as a steppingstone for innovation to provide an opportunity to experiment and evaluate meeting community needs. Many programs, products, and services were suggested for consideration and included developing credit enhancement products to incent members to make loans, providing technical assistance to help small members in meeting compliance requirements for grants received through the FHLBanks, facilitating matching member financial institutions with project sponsors and developers to create affordable housing, offering long-term advance products, and increasing training of CDFIs in areas such as asset

liability management and cybersecurity. In developing new products, a participant cautioned that it was important that the product fits well into the system and plays well with other funders' products.

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