July 13, 2024

Federal Housing Finance Agency

Constitution Center

400 7th Street, SW

Washington, D.C. 20219

R.E.: Mission RFI

To whom it may concern,

I am writing in response to the FHFA’s Request for Input on the FHLBank System Mission issued on May 16, 2024.

The Federal Home Loan Bank System (“FHLB”) was established by Congress in 1932. It is Congress’s responsibility and its alone to establish and make any changes to the mission of the FHLB. With the Supreme Court’s recent ruling striking down the Chevron Deference Doctrine the Federal Housing Finance Agency seems to be overstepping its authority in trying to redefine the FHLB’s Mission. Congress established the mission of the FHLB in the Federal Home Loan Bank Act and captured the mission again in the Housing and Economic Recovery Act. Congress has also expanded the FHLB mission through statutes over time. As directed by Congress, the mission of the FHLBanks is to provide a reliable, cost-effective source of liquidity to their members and support housing and community development efforts.

As the CEO of Brentwood Bank, a $1 billion Community Bank, we leverage the FHLB with its congressionally established mission to help the communities we serve. Currently Brentwood Bank has:

* $39 million in Community Investment Program (“CIP”) advances. Some of these advances are being used in low- and moderate-income tracts to finance apartments for individuals and families. Other advances are used to fund small businesses.
* $30 million in Letters of Credit are being used to collateralize local municipal deposits.
* $3 million currently in Mortgage Partnership Finance (“MPF”). This program, when the mortgage business is more active, affords Brentwood the ability to provide additional opportunities for home ownership for our customers.
* Other advances are critical in the Bank’s asset liability management, providing longer sources of funds for loans that a customer can’t or won’t.

As the FHFA considers possible changes to the FHLBanks, it is essential that the powerful mission established by Congress is not altered and that any changes to the mission must be done through Congressional action. This will help ensure the FHLBanks’ support to communities of more available credit, lower loan costs, and increased financial stability is preserved.

Sincerely yours,

Thomas Bailey, President & CEO

Brentwood Bank

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