



July 15, 2024

Federal Housing Finance Agency
Division of Bank Regulation
400 7th Street, S.W.
Washington, DC 20219.

Thank you for the opportunity to comment on the current issues related to the Federal Home Loan Banks. Ireland Bank is a small Community Financial Institution located in rural Idaho. We have 12 branch locations in 12 different communities in Southern and Eastern Idaho. We are the only financial institution serving 4 of those communities. We have been members of the Federal Home Loan Bank system since the early 1980's. Over the years the FHLBanks we have been members of (Seattle and now Des Moines), have been an important source of secondary liquidity over those years to allow our organization to meet the financial needs of these communities. It is important to the viability of our organization to continue to have access to this source of reliable, safe and affordable secondary liquidity source.

I would like to address each of the sections outlined in the request for information, as it pertains to our organization.

Mission Section

- **Mission of the FHLBanks is in statute.** The FHLBank mission is articulated throughout the FHLBank Act, which describes what FHLBanks are authorized to do, what they are required to do, what they cannot do, who may be members of a FHLBank, and how members can access the FHLBank.
 - These statutes say the mission of the System is providing liquidity to members and supporting affordable housing and community development. Virtually every loan originated on one of the 12 communities we serve fit one of the two components of this mission.

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- **FHFA's role as regulator should be narrow.** As a safety and soundness regulator, while FHFA can evaluate how the FHLBanks are performing against that mission, it should not have the authority to change it.
- **FHLBanks have delivered on their mission throughout their history.** The FHLBanks have been delivering on their mission for over 90 years in many ways.

The FHLBanks provide stable, reliable liquidity to their members every day through advances and letters of credit. The connection between the FHLBanks' mission and the liquidity they provide is supported by the collateral pledged by members.

- Mortgage loans purchased from members directly support housing by allowing members who originate mortgages to sell them to the FHLBanks to free up capital while maintaining their customer relationships.
 - The FHLBanks have an Affordable Housing Program and the voluntary programs that allow them to address regional housing and community development needs.
- **Congress, not FHFA, has the authority to change the FHLBanks' mission.**

Measurement Section

- **All FHLBank activity is mission activity.** Since the FHLBanks can only do what Congress has authorized and required them to do, then everything a FHLBank does is in fulfillment of its mission. All FHLBank liquidity, affordable housing and community investment activity should be factored into how the Banks fulfill their mission.

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- The mission achievement of the FHLBanks is already thoroughly regulated.

Member Incentives Section

- **All members should be treated fairly and equally.** The FHLBank Act requires the FHLBanks to treat all members fairly and impartially, taking into consideration the creditworthiness of their members and the safety and soundness of the FHLBank.
- **Congress has already provided for “incentives”**
 - Congress has already provided “incentives” by allowing community financial institutions to pledge a broader range of collateral.
 - Congress has already provided “incentives” by allowing members to obtain discounted advances through the Community Investment Cash Advance (CICA) and Community Investment Program (CIP) programs.
- **The FHLBanks should not be quasi-regulators of their members,** by offering different products based on the levels of housing assets on members’ balance sheets.

Thank you for your consideration of the points raised above. I cannot stress enough the importance of having access to a safe and reliable secondary source of liquidity is to small Community Financial Institutions like ours. Without this access, the lending we do every day, which fulfills the mission of the FHLBanks would be curtailed, reducing the vital capital desperately needed in the communities we serve.

Respectfully.

Bruce Lowry
President & CEO
Ireland Bank

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