

July 15, 2024

**SUBMITTED VIA AGENCY WEBSITE**

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

Re: FHFA Request for Input: Federal Home Loan Bank Core Mission Activities and Mission Achievement

Dear Director Thompson and Deputy Director Stallings:

Umpqua Bank appreciates the opportunity to provide feedback as the FHFA considers rulemaking related to its *Federal Home Loan Bank System at 100: Focusing on the Future* report. As a member of the Federal Home Loan Bank of Des Moines, Umpqua Bank has an appreciation for the vital role that the FHLBanks play in our financial system. By meeting banks' liquidity needs as a stable and reliable source of funding, FHLBanks support banks to meet the credit and community development needs of the families, towns and cities that we serve. As you conduct your review, please ensure that any rulemaking preserves this indispensable role of the FHLBanks.

Below, please find Umpqua Bank's input on the questions published by the FHFA.

## Mission Statement for the FHLBank System

**Mission Question One:** How should the mission statement for the FHLBanks reflect the connection between the liquidity provided by the FHLBanks and their support for housing and community development?

The existing FHLBank mission<sup>1</sup> and associated core mission activities<sup>2</sup>, as well as the membership requirements established by the Federal Home Loan Bank Act<sup>3</sup> provide sufficient guidance to ensure that FHLBanks are operating in the public interest and in a manner consistent with their goal to support housing and community development. As a state chartered commercial bank, Umpqua Bank is subject to state and federal regulation and examination for compliance with the Fair Housing Act (FHA) and the Community Reinvestment Act (CRA).

The provision of advances to meet the liquidity needs of Umpqua Bank and its peer banks is necessarily aligned with the mission of the FHLBanks given our duty to provide community development lending, services, and investments in the geographies in which we operate. Performance evaluations issued by federal banking agencies are public documents evidencing compliance with the CRA. That is not true for non-bank members. Rather than update the mission statement of the FHLBanks, FHFA may consider reviewing the membership requirements of non-bank members to align them with the existing expectations places on bank members by the CRA to

---

<sup>1</sup> 12 CFR 1265.2

<sup>2</sup> 12 CFR 1265.3

<sup>3</sup> 12 USC 1424

ensure that their community development activities are meaningful and align with the existing mission.

**Mission Question Two:** Are there components in addition to providing liquidity and supporting housing and community development that should be included in the mission statement?

No.

## Measurement of Mission Achievement

**Measurement Question One:** Are there characteristics other than those listed above that FHFA should consider in developing measures of mission achievement? Please provide the rationale for consideration of any other characteristics.

No.

**Measurement Question Two:** Should all activities in the CMA regulation qualify as core mission activities? Are there items that should be added to or removed from the list of core mission activities? Please provide the rationale for any additions or deletions.

Yes, all existing Core Mission Activities should be maintained. Measurement of mission achievement should consider these activities in aggregate, rather than assigning varying importance to different activities. This is important to ensure that FHLBanks can operate in a manner that is appropriate for the geographies they serve and responsive to the needs of members through the full economic cycle.

**Measurement Question Three:** In developing multiple measurements, what additional aspects of mission achievement should FHFA assess? What additional measurements should FHFA adopt to assess support for housing and community development, including support for lower income households or other groups with identified needs?

No comment.

**Measurement Question Four:** As discussed in the System at 100 Report, the FHLBanks receive certain advantages from their status as GSEs. Another approach to assessing mission achievement could tie measurement to the value of GSE status. If FHFA were to pursue this approach, how might the value of the GSE status be measured and how should mission achievement be compared to that value?

No comment.

**Measurement Question Five:** Are there other approaches FHFA should consider?

No comment.

## Member Incentive Program

**Member Incentive Program Question One:** What factors should FHFA and the FHLBanks consider in determining each member's commitment to housing finance and community development under a member incentive program?



For bank members, CRA performance evaluations are existing publicly available documents that provide an independent assessment of how the bank meets the credit needs of the communities in which it operates.

**Member Incentive Program Question Two:** What metrics and activities should be used to determine each membership category threshold? Are there housing- or community development-related activities that should not count or should be discounted in the calculation? Are there some that should count for a greater amount? How would flow business that might not be reflected on the member's balance sheet be reasonably considered?

No comment.

**Member Incentive Program Question Three:** Member activity that supports the housing finance and community development mission may change over time. How frequently should members be evaluated and classified as to their incentive category? Should the members self-report their level of housing and community development activity and provide documentation or a certification to the FHLBank, or should the measurements be performed by the FHLBank? What should the steps or process be for re-assigning members whose engagement in housing finance and community development activities has shifted, resulting in a change of category?

No comment.

**Member Incentive Program Question Four:** What additional benefits should accrue to members in each category?

No comment.

**Member Incentive Program Question Five:** What provisions should be required for each FHLBank's program to ensure it does not adversely affect the FHLBank's safety and soundness?

No comment.

**Member Incentive Program Question Six:** Should there be requirements that ensure members who obtain the benefits of such programs are not engaged in conduct inconsistent with the public interest, such as predatory, discriminatory, or unfair practices?

No comment.

Thank you for providing this opportunity to participate in shaping the future of the FHLBanks.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Farnsworth". The signature is fluid and cursive, written over a light gray rectangular background.

**Ron Farnsworth**

Executive Vice President and Chief Financial Officer

UmpquaBank.com | 866-486-7782 | Member FDIC Equal Housing Lender | SBA Preferred Lender | NMLS 401867