



REQUEST FOR INPUT:  
FEDERAL HOME LOAN BANK CORE MISSION  
ACTIVITIES AND MISSION ACHIEVEMENT

May 16, 2024



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## Introduction

The Federal Housing Finance Agency (FHFA) is reviewing its regulations governing core mission activities and mission achievement of the Federal Home Loan Banks (FHLBanks). In the decades since the FHLBank System was established in 1932, the composition of FHLBank membership has shifted away from institutions with a strong focus on mortgage lending, and eligible collateral has broadened to include non-housing-focused assets. At the same time, the volume of unmet housing and community development needs across the country has significantly increased.

In November 2023, FHFA published the *FHLBank System at 100: Focusing on the Future* (System at 100) Report, which contains recommended actions informed by a year-long review of the FHLBank System. One of the key findings of the review was that the FHLBanks should increase their support for housing and community development. Clarifying the mission of the FHLBanks is an essential step in strengthening this support and implementing the recommendations in the Report.

This Request for Input (RFI) reviews the statutory background and regulatory provisions in FHFA's Core Mission Activities (CMA) regulation related to the mission of the FHLBanks, and requests input on updates to the mission statement, methods for measuring and evaluating mission achievement, and financial incentives for members with a strong and demonstrable connection to the mission of the FHLBank System.

## Public Input Instructions

FHFA invites interested parties to provide written input, feedback, and information on all aspects of this RFI, no later than July 15, 2024. Public input may be submitted electronically using the response form at [FHFA's website](#) (select "FHLBank Mission" from the "Select a Topic" menu) or via mail to the Federal Housing Finance Agency, Division of Bank Regulation, 400 7th Street SW, 7th Floor, Washington, D.C. 20219. Generally, all input received will be made public and posted to FHFA's website, unchanged and including any personally identifiable information it may contain.

## Overview of Mission Provisions

The Federal Home Loan Bank Act (Bank Act),<sup>1</sup> does not explicitly describe the mission of the FHLBanks. The Federal Housing Finance Board (Finance Board), an FHFA predecessor regulatory agency, codified the FHLBanks' mission through its CMA regulation in 2000.<sup>2</sup> The CMA regulation, which was subsequently adopted by FHFA, expresses the FHLBanks' mission as “provid[ing] . . . financial products and services, including but not limited to advances” to members to assist in the “financing of housing, including single-family and multi-family housing serving consumers at all income levels” and “community lending.”<sup>3</sup> This statement links the FHLBanks' role in providing liquidity for their members to activities that support housing and community development. The CMA regulation also sets forth a list of FHLBank activities that qualify as core mission activities.

The Federal Housing Enterprises Financial Safety and Soundness Act (Safety and Soundness Act) reflects Congress's view that FHFA's regulated entities, including the FHLBanks, have important public policy missions and that FHFA has a duty to ensure that those missions are fulfilled.<sup>4</sup> The Safety and Soundness Act assigns the FHFA Director the duties to ensure that the operations and activities of the FHLBanks foster liquid, efficient, competitive, and resilient national housing finance markets, that the FHLBanks carry out their statutory mission only through activities that are authorized under the Bank Act and consistent with the Safety and Soundness Act, and that the activities of the FHLBanks and the manner in which they operate are consistent with the public interest.<sup>5</sup> The Safety and Soundness Act further requires the FHFA Director to take into account the differences between the FHLBanks and Fannie Mae and Freddie Mac with respect to the FHLBanks' “...mission of providing liquidity to members ... [and] affordable housing and community development mission” before FHFA takes “formal or informal [ ] action of general applicability and future effect” that relates to the FHLBanks.<sup>6</sup> Read together, these provisions evidence a Congressional view that the FHLBanks have a housing finance and community development mission and that it is the duty of the FHFA Director to ensure that the FHLBanks carry out that mission.

Similarly, advance-related provisions of the Bank Act reinforce this mission by stating that an FHLBank may make long-term advances to members only for the purposes of providing funds for residential housing finance and, in the case of advances to Community Financial Institutions

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<sup>1</sup> 12 U.S.C. 1421 *et seq.*

<sup>2</sup> See 65 FR 25267 (May 1, 2000) and 65 FR 43969, 43981 (July 17, 2000).

<sup>3</sup> See 12 CFR 1265.2.

<sup>4</sup> 12 U.S.C. 4501(1).

<sup>5</sup> 12 U.S.C. 4513(a)(1)(B).

<sup>6</sup> 12 U.S.C. 4513(f).

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(CFIs), providing funds for small businesses, small farms, small agri-businesses, and community development activities.<sup>7</sup>

The FHLBanks' mission also is reflected in statutory provisions that limit the types of collateral that they may accept in return for providing advances to members. Along with cash and government securities, eligible collateral includes first mortgage loans on residential property, securities representing a whole interest in such mortgage loans, other real estate-related collateral and, in the case of a CFI, secured loans for small business, agriculture, or community development activities or securities representing a whole interest in such secured loans.<sup>8</sup> The Bank Act further reinforces the depth of the FHLBanks' mission by requiring the FHLBanks to provide funding through their Affordable Housing Programs (AHP)<sup>9</sup> and Community Investment Programs (CIP),<sup>10</sup> and by broadly authorizing other FHLBank community investment cash advance programs.<sup>11</sup>

Finally, the Bank Act's membership provisions reinforce the FHLBanks' housing finance and community development mission by requiring all applicants to make long-term home mortgage loans, requiring all insured depository institution applicants to have a home-financing policy that is "consistent with sound and economical home financing," and requiring all non-CFI depository institution applicants to have at least 10 percent of their assets in residential mortgage loans in order to be eligible for membership.

FHFA and its predecessor, the Finance Board, have also noted the importance of fair lending and fair housing to the mission of the FHLBanks. The Finance Board was a signatory to the 1994 Policy Statement on Discrimination in Lending (1994 Statement) which provided that discrimination is destructive, prohibited by law, and restricts access to credit.<sup>12</sup> The 1994 Statement also highlighted the Finance Board's authority to restrict access to long-term advances for an FHLBank member that has been found to have violated the Fair Housing Act, the Equal Credit Opportunity Act, or similar laws based on a then-existing regulatory requirement in the Community Support regulation.<sup>13</sup> FHFA's Policy Statement on Fair Lending, published in 2021, underscored the importance of fair lending to the FHLBanks, that FHFA's fair lending oversight

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<sup>7</sup> See 12 U.S.C. 1430(a)(2). The Bank Act and FHFA's Advances regulation define a CFI as an institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) and that has average total assets below the statutory cap. See 12 U.S.C. 1422(10); 12 CFR 1263.1. The Bank Act set the statutory cap at \$1 billion in 2008 and requires FHFA to adjust the cap annually to reflect the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the U.S. Department of Labor. For 2024, the CFI cap is \$1.461 billion. See 88 FR 2225 (Jan. 12, 2024).

<sup>8</sup> 12 U.S.C. 1430(a)(3).

<sup>9</sup> 12 U.S.C. 1430(j).

<sup>10</sup> 12 U.S.C. 1430(i).

<sup>11</sup> 12 U.S.C. 1430(j)(10) ("No provision of this subsection or subsection (i) shall preclude any Bank from establishing additional community investment cash advance programs or contributing additional sums to the Affordable Housing Reserve Fund."). FHFA's Community Investment Cash Advance (CICA) regulation, which implements 12 U.S.C. 1430(j)(10), establishes parameters for FHLBank long-term advances and grants to members to finance certain types of targeted economic development projects. 12 CFR part 1292.

<sup>12</sup> 59 FR 18266 (April 15, 1994).

<sup>13</sup> 59 FR 18266 (April 15, 1994). 12 CFR 963.3(b)(5).

is part of its public interest oversight duty, and that “[f]air lending is central to the principles under which the U.S. housing finance system operates and is a requirement of law.”<sup>14</sup>

FHFA recently established a regulatory requirement under the Fair Lending, Fair Housing, and Equitable Housing Finance Plans Final Rule<sup>15</sup> that clarifies FHFA’s expectation that the FHLBanks will comply with fair housing and fair lending laws and with the prohibition on unfair or deceptive acts or practices.<sup>16</sup> The rule also confirmed that FHLBank boards of directors must comply with all applicable FHFA regulations, including appropriate consideration of compliance with fair housing and fair lending laws and the prohibition on unfair or deceptive acts or practices.<sup>17</sup>

While FHFA’s CMA regulation sets forth a mission statement and defines the types of activities that qualify as core mission activities, it does not establish any measures or thresholds for mission achievement. Instead, FHFA’s Advisory Bulletin AB 2015-05, *Core Mission Achievement*, provides guidance to the FHLBanks and describes how FHFA will assess the FHLBanks’ core mission achievement, as well as FHFA’s expectations for FHLBanks with core mission assets below specified levels. Specifically, the Advisory Bulletin measures the ratio of an FHLBank’s advances plus Acquired Member Assets (AMA)<sup>18</sup> to its outstanding consolidated obligations (COs)<sup>19</sup> and includes a “preferred advances and AMA ratio” of at least 70 percent.<sup>20</sup> FHFA’s use of COs in the denominator sets the expectation that the FHLBanks’ preferential access to capital markets should primarily support mission activities rather than fund their investment portfolios.

### FHFA Review of Mission Provisions in the CMA Regulation

As part of the System at 100 initiative, FHFA began a review of its CMA regulation to identify provisions that may need updating to ensure that the FHLBank System provides adequate support for housing and community development. Over the course of the FHLBank System’s existence, its membership base, the types of collateral that can be pledged to secure advances, and the FHLBanks’ product offerings have expanded. As these changes have occurred, the FHLBank System’s connection to housing and community development has become less direct.

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<sup>14</sup> 86 FR 36199 (July 9, 2021).

<sup>15</sup> Federal Housing Finance Agency, *FHFA Announces Release of Fair Lending Final Rule*, April 29, 2024.

<sup>16</sup> 12 CFR 1293.11(a)-(b).

<sup>17</sup> 12 CFR 1293.11(c), 1239.4(b)(4).

<sup>18</sup> An AMA program is an FHLBank-established program to buy mortgage loans from members. AMA programs must meet the requirements of 12 CFR part 1268.

<sup>19</sup> COs are debt securities issued to fund the FHLBanks’ operations.

<sup>20</sup> Under subsequent liquidity guidance, the denominator is adjusted by subtracting the annual average par value of an FHLBank’s U.S. Treasury securities that are held in an available-for-sale or trading account. See Advisory Bulletin AB 2018-07: *Federal Home Loan Bank Liquidity Guidance*.

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

A central recommendation of the System at 100 Report is to clarify the mission of the FHLBanks and to update how FHFA evaluates their performance in achieving their mission. The intent of this RFI is to solicit public input to assist FHFA in amending its regulations, including the core mission provisions, to strengthen the ties between FHLBank member activity and the FHLBank System's public purpose by helping to ensure that the focus of the FHLBanks' business supports housing finance and community development.

FHFA has identified three issues that it intends to address in a forthcoming mission rulemaking. These include: (1) updating and clarifying the regulatory statement of the FHLBank System's mission to better reflect its role in the broader housing finance system; (2) developing metrics and thresholds to evaluate the FHLBanks' mission achievement; and (3) identifying responsible financial incentives the FHLBanks could provide to members with a strong and demonstrable connection to the mission of the FHLBank System.

The following sections discuss each of these issues and potential revisions to the CMA regulation and other regulatory provisions to strengthen the FHLBanks' mission achievement. With respect to each issue, FHFA requests public input on the questions in the sections below.

### **Mission Statement for the FHLBank System**

A mission statement should explicitly reflect the purpose, intent, and overall objectives of the FHLBank System. Among other things, it should provide a basis for evaluating the FHLBanks' ability to meet mission objectives in a safe and sound manner.

At a minimum, the statement should set forth the public policy goals for the FHLBanks and how the FHLBanks should fulfill those goals. For example, a public policy goal could be expressed as "supporting affordable, equitable, sustainable, and resilient housing markets," and achievement of that goal could be stated as "by providing financial products and services to their members and housing associates that support financing of affordable, equitable, sustainable, and resilient residential housing and community development."

One of the recurring themes expressed in the System at 100 Report is that there are two core objectives to the FHLBanks' mission: providing stable and reliable liquidity to their members and supporting housing and community development. These objectives are not separate, and are instead related and overlapping.

The FHLBanks were created to support institutions originating mortgages by providing liquidity, which in turn allows those institutions to provide loans serving their communities. While the objective of supporting housing and community development is often considered to be related to the FHLBanks' targeted programs (the AHP, CIP, and CICA programs), it also should be central to the FHLBanks' day-to-day business with members and housing associates. The mission of the FHLBanks is to support housing and community development, and this includes not only direct support through the AHP, CIP, CICA, and other targeted programs, but also indirect support

through the provision of liquidity to members and housing associates so they can lend in their communities.

Another factor to consider is the degree of detail that should be included in the mission statement. For example, do the terms “affordable, equitable, sustainable, and resilient” adequately capture the types of residential housing and community development that the FHLBanks support, or should additional specific objectives be added?

In addition, each FHLBank is a cooperative that carries out its mission primarily through its owner-members, as well as its housing associates. This unique feature of the System should be reflected in its mission statement.

FHFA, therefore, requests input on the following questions relating to the mission statement for the FHLBanks:

**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?

**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?

### Measurement of Mission Achievement

As discussed above, the CMA regulation, promulgated by the Finance Board in 2000, defines the mission of the FHLBanks and includes a list of activities that qualify as core mission activities, but does not establish any measures or thresholds for evaluating mission achievement. In 1999, the Finance Board proposed a rule that would have required an FHLBank’s core mission activities to equal or exceed its outstanding COs, after a transition period.<sup>21</sup> The intent of the proposed rule was to align the uses of CO funding with the FHLBank System’s mission, because the FHLBanks benefit from their status as Government-Sponsored Enterprises (GSEs) in their ability to issue COs at favorable rates. The proposed rule was withdrawn, but the main components of the CMA regulation – a statement of mission and list of core mission activities – were promulgated in separate rulemakings in 2000.<sup>22</sup>

Mission expectations are multi-dimensional, encompassing the FHLBanks’ roles in:

- Providing liquidity to members and housing associates (rather than holding significant investments on their balance sheets);

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<sup>21</sup> 64 FR 52163 (Sept. 27, 1999).

<sup>22</sup> See 65 FR 25267 (May 1, 2000) and 65 FR 43969, 43981 (July 17, 2000).



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- Supporting housing finance and community development through advances and other business activities as well as through targeted and voluntary programs;
- Supporting housing finance and community development programs that benefit lower income households and address other unmet housing needs;
- Working through members and housing associates to enhance their support for housing and community development at all income levels; and
- Conducting their operations consistent with the public interest.

FHFA intends to propose several metrics and establish thresholds for measuring and assessing mission achievement. To the greatest extent possible, the measures would reflect the following characteristics:

- Measures should be objective and clearly defined, rather than subjective assessments;
- Data required to produce the measures should be readily obtainable;
- Measures used should be reasonably comparable over time and across FHLBanks; and
- For transparency, the measures themselves should be shared publicly.

**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.

FHFA is considering several approaches to measuring mission achievement. One approach would draw on the CMA regulation and related guidance. The CMA regulation includes the following list of activities that qualify as core mission activities:<sup>23</sup>

- (a) Advances;
- (b) AMA, with certain limited exceptions;
- (c) Standby letters of credit;
- (d) Intermediary derivative contracts;
- (e) Debt or equity investments:
  - (1) That primarily benefit households having a targeted income level, a significant proportion of which must benefit households with incomes at or below 80 percent of area median income, or areas targeted for redevelopment by local, state, tribal or Federal government (including Federal Empowerment Zones and Enterprise

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<sup>23</sup> See 12 CFR 1265.3.

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and Champion Communities), by providing or supporting one or more of the following activities:

- (i) Housing;
  - (ii) Economic development;
  - (iii) Community services;
  - (iv) Permanent jobs; or
  - (v) Area revitalization or stabilization;
- (2) In the case of mortgage- or asset-backed securities, the acquisition of which would expand liquidity for loans that are not otherwise adequately provided by the private sector and do not have a readily available or well-established secondary market; and
- (3) That involve one or more members or housing associates in a manner, financial or otherwise, and to a degree to be determined by the FHLBank;
- (f) Investments in Small Business Investment Companies (SBICs), where one or more members or housing associates of the FHLBank also make a material investment in the same activity;
- (g) SBIC debentures, the short term tranche of SBIC securities, or other debentures that are guaranteed by the Small Business Administration under title III of the Small Business Investment Act of 1958, as amended (15 U.S.C. 681 *et seq.*);
- (h) Section 108 Interim Notes and Participation Certificates guaranteed by the Department of Housing and Urban Development under section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5308); and
- (i) Investments and obligations issued or guaranteed under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*).

FHFA's current approach to evaluating FHLBank mission achievement takes into account the provision of liquidity to members and housing associates but does not assess support for housing and community development activities.<sup>24</sup> Specifically, it measures the ratio of an FHLBank's advances plus AMA to its outstanding COs and includes a "preferred advances and AMA ratio" of at least 70 percent.

FHFA could update the list of core mission activities currently in the CMA regulation and calculate a core mission activities ratio, incorporating the updated core mission activities in the numerator and COs in the denominator. If FHFA were to follow this approach:

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<sup>24</sup> Advisory Bulletin AB 2015-05: *FHLBank Core Mission Achievement*.

**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.

FHFA could instead create multiple measurements of mission achievement. For example, FHFA could continue using the ratio of advances plus AMA to COs, potentially with adjustments from the current calculation, and add separate measures emphasizing other aspects of mission.

**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?

- a. Should some core mission activities be weighted differently from others? For example, in assessing support for housing and community development, should advances or other activities involving members with a stronger mission focus (as discussed below) be given greater weight?
- b. Should all FHLBank advances count as core mission activities, or should there be limits or exclusions for advances (or other activity) involving members that have only a limited connection to housing and community development? How might this be measured? Should the type of collateral securing an advance be considered in evaluating advances? (Alternatively, this type of approach could be used for calculating one or more additional measurements.)
- c. How should an FHLBank's AHP contributions that exceed the statutorily required minimum or voluntary program contributions be reflected in the mission achievement measures?

**Measurement Question Four:** As discussed in the System at 100 Report, the FHLBanks receive certain advantages from their status as GSEs.<sup>25</sup> 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?

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

Separately, FHFA is also considering ways to meaningfully incorporate mission achievement in its FHLBank examination processes, including the potential inclusion of a stand-alone mission and public interest examination rating. Currently, the findings and conclusions from FHFA's examinations of the FHLBanks' affordable housing and community development programs are

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<sup>25</sup> These benefits include the exemption of the FHLBanks' corporate earnings from federal and state income taxes, *see* 12 U.S.C. 1433, favorable treatment of FHLBank capital stock and consolidated obligations under the Federal securities laws, *see* 12 U.S.C. 1426a, and limited authorization for Treasury to purchase consolidated obligations, *see* 12 U.S.C. 1431(i), (j).

taken into consideration in assigning the management component rating and, to a lesser extent, the operational risk component rating. A separate examination component could capture efforts that support achievement of mission and public interest objectives but that may take time to be reflected in mission measurements. Examination ratings are typically not made public, so this effort would complement public metrics.

### Member Incentive Program

One aspect of the FHLBanks' mission is to provide support for housing and community development by offering advances and other products which members use to lend in their communities. Congress has vested the FHLBanks with certain market advantages that enable them to provide low-cost wholesale funding and other services to their members. FHLBank members benefit from this lower cost of funds, including through their enhanced ability to manage liquidity and other risks.

The purpose of establishing a member incentive program would not be to establish additional criteria for membership in an FHLBank, but to instead allow the FHLBanks to provide increased benefits to those members that demonstrate a meaningful commitment to housing and community development activity. These incentives could be contingent on a member institution operating consistently with the public interest, such as by not allowing members who are engaged in predatory, discriminatory, or unfair practices to benefit.

The availability of this incentive program could encourage members to engage in greater activity that explicitly supports the FHLBanks' mission. Further, there should be a level playing field for accessing these increased benefits, with incentives targeted across the FHLBank membership, dependent on a member's activity in support of the System mission and not on the size of the institution.

A rulemaking could include a requirement that each FHLBank establish a member incentive program, subject to FHFA approval, that would provide added benefits to members with a demonstrable connection to the FHLBanks' housing finance and community development mission. The revised regulation could set forth a framework and parameters for each FHLBank's program. FHFA contemplates that each FHLBank program would include at least three categories of incentives, with a base category for those members that engage in the baseline level of housing and community development activity, and the two remaining categories providing increasingly more attractive benefits, such as discounted advance rates or differential dividends on capital stock, to reflect greater levels of engagement in housing and community development activities. FHFA requests input on the following six questions related to a 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?

**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?

**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?

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

**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?

**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?

## Public Input Questions

The questions raised above are listed below for ease of reference.

<b>Mission Statement for the FHLBank System</b>	
<b>Mission Question 1.</b>	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?
<b>Mission Question 2.</b>	Are there components in addition to providing liquidity and supporting housing and community development that should be included in the mission statement?
<b>Measurement of Mission Achievement</b>	
<b>Measurement Question 1.</b>	Are there characteristics other than those listed on pp. 9-10 that FHFA should consider in developing measures of mission achievement? Please provide the rationale for consideration of any other characteristics.
<b>Measurement Question 2.</b>	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.
<b>Measurement Question 3.</b>	<p>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?</p> <ol style="list-style-type: none"> <li>a. Should some core mission activities be weighted differently from others? For example, in assessing support for housing and community development, should advances or other activities involving members with a stronger mission focus be given greater weight?</li> <li>b. Should all FHLBank advances count as core mission activities, or should there be limits or exclusions for advances (or other activity) involving members that have only a limited connection to housing and community development? How might this be measured? Should the type of collateral securing an advance be considered in evaluating advances? (Alternatively, this type of approach could be used for calculating one or more additional measurements.)</li> </ol>

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	c. How should an FHLBank's AHP contributions that exceed the statutorily required minimum or voluntary program contributions be reflected in the mission achievement measures?
<b>Measurement Question 4.</b>	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?
<b>Measurement Question 5.</b>	Are there other approaches FHFA should consider?
<b>Member Incentive Program</b>	
<b>Member Incentive Program Question 1.</b>	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?
<b>Member Incentive Program Question 2.</b>	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?
<b>Member Incentive Program Question 3.</b>	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?
<b>Member Incentive Program Question 4.</b>	What additional benefits should accrue to members in each category?
<b>Member Incentive Program Question 5.</b>	What provisions should be required for each FHLBank's program to ensure it does not adversely affect the FHLBank's safety and soundness?
<b>Member Incentive Program Question 6.</b>	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?