Tom Boos

Billings FCU

This year marks the 90th anniversary of the founding of the Federal Home Loan Bank System. Every day for nine decades, the FHLBanks have worked to improve the lives of millions of Americans and the communities we serve at Billings FCU witnessed that impact first-hand.

Billings Fed began our relationship with FHLB Seattle in 2006. FHLB Seattle has since merged into FHLB Des Moines, and we continue our relationship with the Des Moines Bank. For twelve years we pledged our assets but weren’t active users of the Bank’s liquidity products. By 2018, we needed additional liquidity to be able to continue serving our members borrowing needs. Since we had a line already established, we were able to take down our first advance quickly and easily. Since FHLB Des Moines has been able to deliver liquidity reliably and consistently at a scale few other wholesale funding providers can match, we continue to utilize the Bank as our needs dictate.

While Billings Fed offers the traditional products one would expect of a community financial institution, we also serve a subset of underserved members who do not typically find it easy to obtain credit from financial institutions. Our mission is to improve our members lives, and our business model supports our mission. We support our members by delivering loan products to many members who are unable to obtain credit elsewhere and providing trusted advice to help them improve their financial health. In part, FHLB Des Moines makes these actions possible by providing access to low-cost, reliable funding. Because of this liquidity, more affordable credit options are routinely available to our members, no matter their history.

Recently, we expanded our partnership with FHLB Des Moines to include the Mortgage Partnership Finance Traditional program- a unique mortgage product that allows us to share credit risk with FHLB Des Moines. By sharing risk, Billings Fed receives benefits we can’t find with other investors including better pricing and waived loan level pricing adjustments. More importantly, our members have greater access to fixed-rate home loans at a better rate. This is another way FHLB Des Moines gives us the tools to deliver value to folks that may not be approved elsewhere or for whom the cost of funding may put homeownership out of reach.

Billings Fed is great at loaning money to our members in need. For us and the communities we serve to thrive, the lending machine we have created can’t slow down. FHLB Des Moines help keep it running. Without wholesale funding from FHLB Des Moines, many of our members would find it difficult to access affordable solutions that would support their credit needs.

We know the FHLBank System is a critical piece of the nation’s financial infrastructure. Safe, sound, and reliable access to capital fosters a vibrant Montana economy. As a proud member of FHLB Des Moines, Billings FCU congratulates the System, and we celebrate our partnership with FHLB Des Moines. Together, we play a pivotal role in serving our members and communities.