



September 29, 2022

**Re: FHFA Initiative: FHLB System at 100: Focusing on the Future**

To All Stakeholders:

Thank you for the opportunity to show our support and appreciation for the Federal Home Loan Bank (FHLB). Spencer Savings Bank is a 26-branch \$3.8 billion community bank servicing the northern New Jersey market. With roots as a building and loan association, Spencer has been serving the community with pride for close to 90 years. The FHLB of NY has been a critical business partner of Spencer Savings Bank over this entire span of time. We rely on their products and services so that we can in turn, service our customers. As a community bank, this is our mission which we take very seriously.

As a New Jersey community bank, we are driven to serve the financial needs of our local customers whether that be the individual consumer or business and the FHLB is our partner in this mission. The FHLB system has been there in good times and bad, through every economic and credit cycle over the past 100 years, especially the past two years as the world economy suffered through the Pandemic. Access to immediate liquidity was there with FHLB advances. The FHLB Small Business Recovery Grant program was a lifeline to our many small business and non-profit customers that came close to failure during the Pandemic. Those grants made all the difference to those businesses.

The FHLB regional presence is key to providing a local relationship. The service and support from the outstanding staff at the FHLB NY under the leadership of President & CEO Jose Gonzalez, is not what you would experience from a third party correspondent relationship because their mission is aligned with ours. Our needs are addressed individually by professionals that understand the local economic climate, not by some money desk in another time zone.

Other key FHLB services we rely upon include the Municipal Letters of Credit (MULOCs) which frees up our collateral from GUDPA pledging and safekeeping services for our investment securities. Our residential loans sold to the past MPF program facilitated our core mission of providing home financing, provided a superior alternative to the secondary market and supported our interest rate risk management. Spencer has also participated in the Affordable Housing Program and the Community Investment Program which have helped us serve the needs of lower income households and our New Jersey communities in need.

I hope this letter conveys how important the FHLB is to Spencer Savings Bank and the entire community banking industry. Simply stated, we would not be able to operate without the FHLB as our business partner.

Sincerely,

A handwritten signature in black ink that reads "Jane E. Allerman-Rey".

Jane E. Allerman-Rey  
President and Chief Operating Officer