

October 13, 2022

Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Re: FHLBank System at 100: Focusing on the Future

Dear Federal Housing Finance Agency:

The Nebraska Credit Union League (League) appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) review of the FHLBank system, specifically our regional FHLBank of Topeka (FHLB).

By way of background, the League is the state trade association for Nebraska's fifty-six (56) federally insured, not-for-profit, member-owned, cooperative credit unions. Five hundred and forty-seven thousand (547,000) Nebraskans are members of a credit union.

Nebraska's credit unions provide their member-owners with modern and affordable financial products and services that greatly improve the lives of their members, as well as promote economic development in the communities they serve. A key component of economic development for local communities is home ownership. For many Nebraskans, their home is the largest asset that they have acquired. Credit unions are increasingly assisting their members in purchasing a home with eighty-four percent of Nebraska's credit unions now offering mortgage products.

A key and trusted partner for many of our credit unions in offering mortgage loans to their members is the FHLB. One-third of Nebraska credit unions offering mortgage products are members of the FHLB. FHLB is member owned by those institutions they serve including credit unions. Nebraska credit unions strongly appreciate that our regional FHLB offers their Mortgage Partnership Finance (MPF) program which is not offered by the entire FHLBank system.

The MPF program allows credit unions to originate member mortgages, sell them to FHLBank Topeka, and generate fee income, while still maintaining servicing. This allows our credit unions to maintain a hometown connection to their members. This is critical to not only the credit union but indeed the member who trusts that their credit union will be the face of their loan should they have any questions or need anything regarding their mortgage.

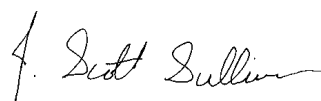
Liquidity is essential for credit unions to pay bills and meet short-term obligations. Credit unions have several entities that they work with to access liquidity including corporate credit unions, the federal reserve, and the FHLB. Credit unions utilize these liquidity sources in varying fashion but each of the liquidity sources play an important role in the day-to-day operations of the credit union. Nebraska credit unions routinely utilize FHLB for their liquidity needs to ensure that they can continue to serve the financial needs of their members.

It is critical that the FHLBank system has, and continues to have, regional providers. Nebraska credit unions strongly believe that having its regional FHLBank located in Topeka enhances the service that credit unions receive and ensures that the FHLB is most responsive to the local needs. The MPF program offered by our FHLB of Topeka is a great example that underscores our belief.

We believe it is also important to acknowledge that the FHLB and its employees have been very supportive of the philanthropic endeavors of Nebraska credit unions including supporting local events benefiting “Children’s Miracle Network” as well as the Credit Union Foundation of Nebraska. Additionally, FHLB has financially supported other local events that provide educational opportunities for our credit unions, their employees, and credit union volunteers who serve on the board or other credit union committees.

Thank you for the opportunity to comment on the FHFA’s comprehensive review of the Federal Home Loan Bank system. If you should have any questions concerning our letter, please feel free to contact me at ssullivan@nebrcul.org or 402.333.1151.

Sincerely,



J. Scott Sullivan
President/CEO

