October 17, 2022

**FHLBank System at 100. Focus on the Future Comments**

Altra Federal Credit Union is a 135,000 member, $2.4 billion Federally chartered credit union located in Onalaska, WI. We serve members in all 50 states and all over the country. We have strong physical presence in Wisconsin, Minnesota, Texas, and Tennessee. We service over $2 billion in mortgage related loans both on and off-balance sheet.

We joined the FHLB of Chicago.in 2007. Initially it was to just to have an alternate source of liquidity per NCUA exam recommendations.

As our Loan-to-Share ratio grew to over 90%, we started taking advances to fund liquidity needs and manager our interest rate risk. We have taken advantage of fixed rate, amortizing and putable advances. We have taken advances to fund affordable housing. More recently we have taken the maximum amounts of COVID advances at $5 million each in 2020 and 2021 at below market rates. In addition, we have obtained grants for our business members as offered.

Working with the FHLB has allowed us to unique things for our members in the community. On example is a grant we obtained for The Exchange. This is an organization that helps provide home essentials to community members in need. This grant was a lot of money for them as they operate with only volunteers.

We greatly appreciate the expertise of our FHLB account representatives. They continue to provide us with Balance Sheet management tools and advice. They provide education on their tools specifically geared toward our needs. We especially appreciate the sharing of successes between FHLB members at the Management or Credit Union conferences.

More recently, we have been keeping even more first mortgage loans in portfolio. This has caused a strain on our Interest Rate Risk, and we have reached out to the FHLB for funding and derivatives options that make sense for our balance sheet. In addition, we have been able to take out much larger advances for arbitrage as well as liquidity which has added significantly to our Net Interest Margin.

The benefit to our members of our membership in FHLB Chicago is clear. Funding our lending with only member deposits is no longer an option. With technology and non-bank competition, members have many options to choose from. With the FHLB as our partner, we are able to continue to make mortgage and small business loans at competitive rates which is why we are here.

Sincerely,

Mary Isaacs

EVP/CFO