



Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, D.C. 20024

**RE: FHLBank System at 100: Focusing on the Future**

Reliable, consistent, dependable, and collaborative are adjectives that come to my mind when describing the relationship between Beardstown Savings and Federal Home Loan Bank of Chicago (FHLBC), which I don't believe to be unique to our bank. Utilizing a wide variety of their products (i.e. Funding/Advances, Letters of Credit, Mortgage Lending, and Community Investment), we are able to leverage their resources to provide better opportunities for our customers. This is vitally important to Beardstown Savings as a \$65mm mutual bank serving small communities with high levels of low-to-moderate income households and large percentages of ethnically diverse customers.

Two specific examples of how our partnership has helped our local community members. First, over the years, Beardstown Savings has been able to collaborate with FHLBC's Community Investment team to offer 117 Down Payment Plus (DPP) Grants totaling \$736,647.61. These grants are typically utilized by first-time homebuyers and all qualify under the income restrictions as part of the program. These are significant totals when considering the small size of our local communities. Essentially, in concert with FHLBC, we were able to create a path to home ownership for 117 individuals and/or families. On top of the DPP Grants, FHLBC's Community Investment team was on the frontline helping during the COVID-19 pandemic along with countless other programs and dollar amounts through their other programming. However, our successful partnership is not limited to the Community Investment team at FHLBC.

Four years ago, we decided to add to our relationship with FHLBC by agreeing to participate in their MPF Program. Through this opportunity, we have been able to originate 58 mortgage loans at very competitive interest rates that are friendly to the customers. By selling these loans, we have been able to use the roughly \$8,500,000.00 in extra liquidity to serve the rest of our customer base as a subprime lender and first-choice institutions for our ethnically diverse population. Additionally, by not selling the servicing rights to the loan, we are able to build a solid foundation of loyal customers for the institution all the while offering competitive products and rates.

In closing, I would like reiterate the collaborative nature of our relationship with FHLBC. ***They don't compete with us; they assist us in improving our communities! I urge FHFA to not change the cooperative structure, membership requirements, or regional nature of the FHLBanks.*** The unique purposes of FHLBC allows the bank to focus on the needs of the institutions, its customers, and communities. We know that we have a strategic partner with FHLBC who puts the success of our institution first!

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