

## ABA COMMENT LETTER WRITING GUIDE

# FHFA Review of the Federal Home Loan Bank System

October 2022

The Federal Housing Finance Agency (FHFA) has announced a review of the Federal Home Loan Bank System with a number of listening sessions beginning on September 29, 2022 as well as acceptance of written comments by October 21, 2022.

The outline below is intended as a guide for banks to use to draft comment letters to the FHFA. It is critical that FHFA hear from banks who are members of the Federal Home Loan Bank System. ABA has been participating in the listening sessions and will provide written comments, but receiving comment letters from individual banks is very important.

FHFA asks for feedback in six key areas:

1. The FHLBanks' general mission and purpose in a changing marketplace;
2. FHLBank organization, operational efficiency, and effectiveness;
3. FHLBanks' role in promoting affordable, sustainable, equitable, and resilient housing and community investment;
4. Addressing the unique needs of rural and financially vulnerable communities;
5. Member products, services, and collateral requirements; and
6. Membership eligibility and requirements.

However, it is not necessary to comment on or provide feedback on each area. Concentrate your letter on the issue(s) of most importance to your bank and community. Comments are due by Friday, October 21st.

Comments may be submitted via FHFA's website or mailed to Federal Housing Finance Agency, 400 7th Street, SW, Washington, DC 20024.

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[Insert Date]

The Honorable Sandra Thompson  
Director  
Federal Housing Finance Agency  
Constitution Center  
400 7th Street, SW  
Washington, D.C. 20219

RE: FHFA Review of the Federal Home Loan Bank System

Dear Madam or Sir:

## **I. Introduction**

- A. Introduce Your Bank. [Asset size, footprint, primary federal regulator, business model, etc.]
- B. Thank the FHFA. Thank the FHFA for their leadership and oversight to ensure that the FHLBs remain a reliable funding source for banks like yours and for the opportunity to provide feedback.

## **II. Suggested Points**

- Discuss why your bank is a member of the System – include points about the access to necessary liquidity in all economic cycles, and specifics about how your bank uses System access to further economic opportunity in your community.
- Discuss the specifics of any Affordable Housing Program (AHP) or other FHLB sponsored and funded programs that have benefitted your community, and note any working relationships with community or other groups that the FHLBs have helped to foster.
- Note the investment of capital that your bank has made in the FHLB System and how that investment could be put at risk if the membership criteria was changed and less regulated entities, or those without collateral to back their borrowing, were allowed to access the System.
- If applicable, note how the regional nature of the System has allowed for greater understanding of specific community needs by the FHLBs that has been helpful in your lending or community development activities.

### III. Conclusion

Thank FHFA for the opportunity to comment, summarize any of the key points you cited above and reiterate the importance of the FHLBs to your bank and your community.

*Questions?* Contact Joe Pigg [jpigg@aba.com](mailto:jpigg@aba.com) for more information.