

October 21, 2022

Ms. Sandra Thompson, Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Dear Director Thompson:

We, the undersigned executives of the credit union trade associations serving credit union members throughout New England, write in response to the Federal Housing Finance Agency's announcement of a comprehensive review of the Federal Home Loan Banks (the FHLBanks.) We focus our comments on three areas: credit union membership, the regional structure of the FHLBanks, and the partnership benefits provided by FHLBanks.

Credit union membership

FHLBank Boston serves one of the smallest of the eleven FHLBank System districts, and credit unions are well-represented in its membership. Credit unions throughout New England represent 159 of FHLBank Boston's 425 members or 37 percent. FHLBank Boston's credit union members have collectively borrowed more than \$3.8 billion in advances and own more than \$213.9 million in capital stock as of Q2 2022. Many of these members are small institutions that would otherwise not have access to such funding options, which help them provide financial services for individuals and families in traditionally underserved areas.

Regional structure

The cooperative nature and regional structure of the FHLBanks enable each FHLBank to respond to local needs, and design products and services tailored to the communities served by their members. For example, in addition to providing liquidity and community development support, FHLBank Boston has created innovative voluntary programs that address job creation and retention, and support for homeowners, providing yet more support to the local economy. Through the Jobs for New England program, Greenwood Credit Union used a subsidized advance to acquire a building for a growing daycare business in Glocester, Rhode Island. This daycare, a minority/woman-owned business, was able to create six jobs and retain four. Another example is Evergreen Credit Union, which used a subsidized advance to support the acquisition of a Maine retail garden center & nursery business that also provides landscaping, plowing and snow removal. The company was able to create three new jobs and retain 10. And through the Housing Our Workforce program, American Eagle Financial Credit Union assisted a registered nurse with two young sons with a home purchase in Bloomfield Connecticut. A two-to-one match of the down payment on the home meant that this new homeowner's overall mortgage loan amount and her monthly mortgage payment were reduced. These voluntary programs help us serve our communities just as the more well-known FHLBank programs have done for decades. The Affordable Housing Program has led to the creation and improvement of thousands of affordable housing units throughout New England and beyond since 1990. And the Community Development Advance program is a discounted fixed-rated

financing program which our members have used to support affordable housing development or small business loans. Vermont Federal Credit Union has used CDAs to provide mortgage financing to approximately 51 households earning at or below 115% of the area median income throughout Vermont.

Partnership

Our shared members appreciate and value their partnership with the FHLBanks and work in several ways to help improve and refine products and services. The FHLBank Boston Member Advisory Panel, which is composed of member lending officers and staff, meets regularly with member services staff to offer suggestions and feedback. This collaborative relationship is not limited to membership; just last July, we met with FHLBank Boston leadership for an update on Bank activity and to provide updates on issues in our respective states.

Further, the financial industry of New England is represented on FHLBank Boston's board of directors by several industry directors. While there are currently no credit union directors serving on the board, we can be confident that the issues and concerns we share with other members are fully communicated and discussed. In addition, the independent directors that represent housing and community development continue to serve as our local partners in affordable housing and economic development.

For 90 years and counting, the FHLBanks have fulfilled their mission to serve as a source of liquidity for its members. While it is reasonable to consider how the FHLBanks role may be enhanced, the essential mission and the regional nature of the FHLBanks must be preserved. Especially as we recover and the economy stabilizes, any actions emanating from Washington must take into account the need for steady and continued economic recovery. The FHLBanks' collective contributions to these efforts should be encouraged and its current members of the FHLBanks should continue to have access to the FHLBanks.

Thank you for the opportunity to provide a comment on the review.

Bruce Adams, President and CEO, Credit Union League of Connecticut

Joseph Bergeron, President and CEO, Association of Vermont Credit Unions

Todd Mason, President and CEO, Maine Credit Union League

Ronald McLean, President and CEO, Cooperative Credit Union Association