

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

Dear Director Thompson:

As community bankers and community-based credit unions, we depend on the Federal Home Loan Banks (FHLBanks) as a reliable source of liquidity to support mortgage lending, community investment and economic growth in our local communities. But, our relationship with the Federal Home Loan Bank of Dallas (FHLB Dallas) goes far beyond that. They have been a valuable partner that have helped us and our communities in times of need.

Advances, Liquidity and Stability

Advances from FHLB Dallas provide us with balance sheet management tools for hedging interest-rate risks and liquidity risks, enabling us to operate more efficiently. These advances also provide us the ability to access capital markets funding at levels comparable to those of the largest financial institutions in the country. Furthermore, FHLB Dallas operates as a back-up source of liquidity for us, without which we would have to carry much larger amounts of liquidity which could jeopardize the economics of community banking and, at a minimum, would greatly increase our costs of operation, a cost that would need to be borne by the consumer. While FHLBanks don't level the playing field for us with larger institutions that have greater economies of scale, they do help. Without FHLBanks, the nation's community banks, the community bank model and the financial system in this country become less viable. Federal Home Loan Banks have helped keep our smaller institutions relevant and available to our communities in an era of bank consolidation. Products provided by FHLB Dallas allow us to offer competitive rates on business loans, residential mortgages, public unit deposits and other services we offer to our customers. Selling mortgages to FHLB Dallas through the Mortgage Partnership Finance[®] Program frees up capital to make additional loans. Without that, some of us would be holding mortgage loans in portfolio, lessening our capacity to lend, and requiring us to manage interest rate risks we are less equipped to manage or be forced out of the mortgage lending space altogether.

A Partner in Times of Need

FHLB Dallas provides an efficient cost-effective source of funding when we need it. This was the case as the financial crisis unfolded in 2008 and more recently in early 2020 when the COVID-19 pandemic forced an economic shutdown and caused interruptions in other sources of liquidity. FHLB Dallas was there when we needed them.

FHLB Dallas' response to the pandemic included making \$5 billion in short-term advances available at 25 basis points and \$3 billion in long-term advances at FHLB Dallas cost. In addition, it moved up the access date to access \$1.5 million in small business loan funds and expanded usage to include businesses impacted by COVID-19. Besides the direct help to its members, FHLB Dallas donated more than \$1 million to charitable organizations across five states, mainly to food banks.

For many of us who are located along the Gulf Coast or in tornado-prone areas, FHLB Dallas has been a valued partner in helping our communities recover from natural disasters. We've received invaluable,

fast and efficient responses to multiple hurricanes, mass flooding, wildfires and other natural disasters that helped our banks, our employees, small businesses and our communities recover faster than they would have without FHLB Dallas assistance.

For example:

- \$6.7 million in grants and subsidies was provided in the aftermath of Hurricane Harvey in 2017
- \$4 million in relief program funding was made available after Hurricane Ida in 2021, including \$2.5 million in Hurricane Recovery Grants and \$1 million in charitable contributions

FHLB Dallas provided for us, our employees and our communities after the storms and worked side by side with us as a partner in recovery efforts. For those of us that operate in the hurricane-prone Gulf Coast region, FHLB Dallas has been there with direct grants and assistance to our impacted employees, community residents and small businesses. All told, they provided more than \$6.7 million to Texas and Louisiana communities to assist in recovery efforts from Hurricane Harvey, alone. They were there after Hurricanes Ida, Laura, Delta and Zeta, to name a few, as well as after the 2021 Texas ice-storm and the 2022 New Mexico wildfires. And many of us can't forget the support FHLB Dallas provided after the devastation of Hurricane Katrina when more than \$5 million in grants were made available to assist our communities in Louisiana, Mississippi and Texas affected by Hurricanes Katrina and Rita.

They have been a true, involved community partner.

Economic Vitality

We collectively believe community banks are the lifeblood of their communities, and access to FHLB Dallas advances is a key component of their overall strength and vitality. As rural, small and midsized community bankers, we rely on these advances to fund rural economic activity such as seasonal agriculture loans that support our local economies. It would be virtually impossible for those of us doing agriculture lending to raise deposits to meet the short-term, seasonal needs of agricultural borrowers.

In addition to agricultural businesses, many other small businesses that support the economies of smaller towns and cities rely on community banks and their partnerships with FHLB Dallas to access affordable business loans to start or grow their businesses. These small businesses or entrepreneurs are often overlooked by regional and national banks.

In fact, many of us are Community Development Financial Institutions (CDFIs), and are focused on providing financing and outreach to underserved individuals, businesses and communities, including lower income, rural and diverse populations who may lack access to traditional financing.

FHLB Dallas has supported our CDFIs with everything from advances for competitive lending to economic investment offerings such as the Small Business Boost loan program, which enables us to lend to high-quality small businesses and entrepreneurial ventures that we might not otherwise be able to assist due to our individual institution's lending limitations or underwriting restrictions.

Lending to small businesses, affordable housing entities and other populations that may lack access to other financing would become more difficult, in some cases impossible, without our partnerships with FHLB Dallas.

FHLB Dallas Knows Our Needs

FHLB Dallas has met the specific needs of our District with voluntary programs such as a small business

lending program, Small Business Boost, geared toward these small businesses that continues to grow in popularity and is designed to eventually become self-funding through the program's loan paybacks. The same could be said for its unique grant program that specifically reached our disabled military population and Gold Star Families with necessary home repairs and homebuyer down payment assistance. Additionally, FHLB Dallas has come through for us with disaster recovery programs in the wake of natural disasters.

Affordable Housing Program

A quick word about the Affordable Housing Program (AHP). It has provided gap funding for affordable housing development in our communities that reaches vulnerable populations such as people recovering from drug and alcohol addictions, homeless people, the working poor, older Americans and Native American tribal communities. The AHP often serves as the first committed funding to attract larger funding commitments or as the final gap funding to complete the capital stack. Its impact on our communities has been nothing short of profound. We participate in affordable housing and community investment programs at FHLB Dallas because they allow us to stretch our dollars and make a wider impact on the low-income communities we serve.

In conclusion, our institutions are stronger and more connected to our communities than ever, in part due to our strong partnership with FHLB Dallas. We certainly believe that long-standing institutions such as the FHLBanks can benefit from a thorough examination of the past, the present and a look ahead to the future. At the same time, we also know the structure and stability of the FHLBanks during the past 90 years has helped our community institutions thrive. As such, we urge caution and encourage you to seek improvements and efficiencies while maintaining the safety, soundness, stability and reliability that FHLBanks provide to thousands of community institutions just like ours.

We've appreciated the regional nature of FHLB Dallas for its ability to understand and address our unique needs and we appreciate this opportunity to express our thoughts about maintaining a reliable and stable system. We look forward to a continued dialogue as you work to prepare the FHLB System for the next 100 years.

Sincerely,

Allen Hodo
Allen Hodo (Oct 20, 2022 13:19 CDT)

Authorized Signature

First State Bank

Institution

Allen Hodo

Print Name

CFO

Title

Amanda Robinson
Amanda Robinson (Oct 19, 2022 11:11 CDT)

Authorized Signature

Bank of England

Institution

Amanda Robinson

Print Name

CFO

Title

Amy Pickard

Amy Pickard (Oct 20, 2022 11:06 CDT)

Authorized Signature

Liberty Capital Bank

Institution

Amy Pickard

Print Name

CFO

Title

Ana P Valdez

Ana P Valdez (Oct 20, 2022 09:35 CDT)

Authorized Signature

Falcon International Bank

Institution

Ana P Valdez

Print Name

SEVP/COO/CRO

Title

Angel Reyes

Angel Reyes (Oct 20, 2022 08:22 MDT)

Authorized Signature

Centinel Bank of Taos

Institution

Angel Reyes

Print Name

President / CEO

Title

B Gooding

B Gooding (Oct 19, 2022 11:41 CDT)

Authorized Signature

Cypress Bank SSB

Institution

B Gooding

Print Name

President

Title

Benjamin Watson

Benjamin Watson (Oct 19, 2022 08:10 CDT)

Authorized Signature

Cross Keys Bank

Institution

Benjamin Watson

Print Name

EVP and CFO

Title

Ben Dempsey

Ben Dempsey (Oct 19, 2022 15:49 CDT)

Authorized Signature

Colonial Savings, F,A,

Institution

Ben Dempsey

Print Name

CFO/Executive VP

Title

Barry Gober

Barry Gober (Oct 19, 2022 12:02 CDT)

Authorized Signature

Print Name

Title

B. Rich Knox

B. Rich Knox (Oct 19, 2022 09:37 CDT)

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Institution

Print Name

Title

Brad Canada

Brad Canada (Oct 19, 2022 08:15 CDT)

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Institution

Print Name

Title

Boris A. Dover

Boris A. Dover (Oct 19, 2022 08:43 CDT)

Authorized Signature

First Community Bank

Institution

Boris A. Dover

Print Name

President & COO

Title

Bradley B. Jones

Bradley B. Jones (Oct 19, 2022 18:11 CDT)

Authorized Signature

Bank of Franklin

Institution

Bradley B. Jones

Print Name

Chief Executive Officer

Title

Bradley A. Chambless

Bradley A. Chambless (Oct 19, 2022 16:19 CDT)

Authorized Signature

The Farmers & Merchants

Institution

Bradley A. Chambless

Print Name

President/Chief Executive

Title

Brandon Wooten

Brandon Wooten (Oct 19, 2022 09:53 CDT)

Authorized Signature

Citizens Federal Credit Ur

Institution

Brandon Wooten

Print Name

President/CEO

Title

Bruce Clark

Bruce Clark (Oct 20, 2022 12:02 CDT)

Authorized Signature

Education First FCU

Institution

Bruce Clark

Print Name

Chief Financial Officer

Title

Brian Humphreys
Brian Humphreys (Oct 19, 2022 09:02 CDT)

Authorized Signature

Rio Bank

Institution

Brian Humphreys

Print Name

President

Title

Brent Woodruff
Brent Woodruff (Oct 20, 2022 07:55 CDT)

Authorized Signature

Pilgrim Bank

Institution

Brent Woodruff

Print Name

CEO

Title

Chan Campsey
Chan Campsey (Oct 20, 2022 11:28 CDT)

Authorized Signature

Texas National Bank of Ja

Institution

Chan Campsey

Print Name

President/COO

Title

Chris Hutson
Chris Hutson (Oct 19, 2022 12:50 CDT)

Authorized Signature

Texas Tech Federal Credi

Institution

Chris Hutson

Print Name

CEO

Title

Christopher M. Wewers
Christopher M. Wewers (Oct 21, 2022 08:44 CDT)

Authorized Signature

Southern Bancorp Bank

Institution

Christopher M. Wewers

Print Name

CFO

Title

CJ Edgmon
CJ Edgmon (Oct 19, 2022 09:59 CDT)

Authorized Signature

West Texas National Banl

Institution

CJ Edgmon

Print Name

CFO

Title

Crystal Long
Crystal Long (Oct 19, 2022 10:57 MDT)

Authorized Signature

GECU

Institution

Crystal Long

Print Name

President & CEO

Title

Danny E Beyhan

Danny E Beyhan (Oct 19, 2022 08:22 MDT)

Authorized Signature

The Citizens Bank

Institution

Danny E Beyhan

Print Name

President/CEO

Title

David Matthews

David Matthews (Oct 19, 2022 09:35 CDT)

Authorized Signature

First National Bank of Sta

Institution

David Matthews

Print Name

President/CEO

Title

David B. Murphy

David B. Murphy (Oct 19, 2022 12:32 CDT)

Authorized Signature

First State Bank & Trust C

Institution

David B. Murphy

Print Name

Chairman & CEO

Title

David R. Kapavik

David R. Kapavik (Oct 19, 2022 07:39 CDT)

Authorized Signature

Southstar Bank

Institution

David R. Kapavik

Print Name

President & CEO

Title

Dave Dickson

Dave Dickson (Oct 20, 2022 10:01 CDT)

Authorized Signature

Union Bank & Trust

Institution

Dave Dickson

Print Name

President/CEO

Title

David C. Blackburn

David C. Blackburn (Oct 19, 2022 13:38 CDT)

Authorized Signature

First United Bank

Institution

David C. Blackburn

Print Name

CFO

Title

David B Scruggs

David B Scruggs (Oct 19, 2022 12:08 EDT)

Authorized Signature

Print Name

Institution

Title

David A. Savoie, CPA

David A. Savoie, CPA (Oct 19, 2022 08:54 CDT)

Authorized Signature

Louisiana Corporate Cred

Institution

David A. Savoie

Print Name

President / CEO

Title

Deborah Bowling

Deborah Bowling (Oct 20, 2022 10:09 CDT)

Authorized Signature

First American National B

Institution

Deborah Bowling

Print Name

1st VP & COO

Title

Doug Carr

Doug Carr (Oct 19, 2022 15:51 CDT)

Authorized Signature

Bank of 1889

Institution

Doug Carr

Print Name

President

Title

Gary Wolfe

Gary Wolfe (Oct 21, 2022 07:56 CDT)

Authorized Signature

Institution

Print Name

Title

Glen McKenzie

Glen McKenzie (Oct 19, 2022 14:27 CDT)

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DATCU

Institution

Glen McKenzie

Print Name

CEO

Title

H. Brooks Lewis

H. Brooks Lewis (Oct 19, 2022 11:21 CDT)

Authorized Signature

Citizens Bank & Trust

Institution

H. Brooks Lewis

Print Name

President & CEO

Title

Holli McClain

Holli McClain (Oct 19, 2022 10:04 CDT)

Authorized Signature

Institution

Print Name

Title

J. Chesley Steel

J. Chesley Steel (Oct 20, 2022 08:34 MDT)

Authorized Signature

Southwest Capital Bank

Institution

J Chesley Steel

Print Name

CEO

Title

Jason Schneider

Jason Schneider (Oct 19, 2022 08:35 CDT)

Authorized Signature

TDECU

Institution

Jason Schneider

Print Name

CFO

Title

Jane G Verret

Jane G Verret (Oct 19, 2022 14:44 CDT)

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Campus FCU

Institution

Jane G Verret

Print Name

President and CEO

Title

JFS III

James F Simpson III (Oct 19, 2022 09:35 CDT)

Authorized Signature

Community Bank of Louisi

Institution

James F. Simpson III

Print Name

President & Chief Executi

Title

James H. Clayton

James H. Clayton (Oct 18, 2022 18:28 CDT)

Authorized Signature

Planters Bank

Institution

James H. Clayton

Print Name

Chairman

Title

Jason Wyatt

Jason Wyatt (Oct 19, 2022 10:32 MDT)

Authorized Signature

Western Commerce Bank

Institution

Jason Wyatt

Print Name

President & CEO

Title

Jed Fanning

Jed Fanning (Oct 19, 2022 09:39 MDT)

Authorized Signature

Citizens Bank of Las Cruc

Institution

Jed Fanning

Print Name

President & CEO

Title

Jim Denman

Jim Denman (Oct 19, 2022 07:56 CDT)

Authorized Signature

Institution

Print Name

Title

Joe Nichols

Joe Nichols (Oct 19, 2022 11:29 CDT)

Authorized Signature

State Bank of De Kalb

Institution

Joe Nichols

Print Name

Chairman & CEO

Title

Joe Quiroga

Joe Quiroga (Oct 20, 2022 10:13 CDT)

Authorized Signature

Institution

Print Name

Title

Joe Zanco

Joe Zanco (Oct 19, 2022 08:37 CDT)

Authorized Signature

Institution

Print Name

Title

John G. Barad

John G. Barad (Oct 20, 2022 10:16 CDT)

Authorized Signature

Union Square Credit Union

Institution

John G. Barad

Print Name

President and CEO

Title

John Buckley

John Buckley (Oct 19, 2022 12:32 CDT)

Authorized Signature

Texoma Community Credit Union

Institution

John Buckley

Print Name

President/CEO

Title

John R. Mills

John R. Mills (Oct 19, 2022 09:52 CDT)

Authorized Signature

Citizens Bank

Institution

John R. Mills

Print Name

President/CEO

Title

John Steinmetz
John Steinmetz (Oct 19, 2022 09:54 CDT)

Authorized Signature

Vista Bank

Institution

John Steinmetz

Print Name

President and CEO

Title

Judith I. Wawroski
Judith I. Wawroski (Oct 19, 2022 08:54 CDT)

Authorized Signature

International Bank of Com

Institution

Judith I. Wawroski

Print Name

EVP and Treasurer

Title

J H Herlocker
J H Herlocker (Oct 21, 2022 12:07 CDT)

Authorized Signature

Mineola Community

Institution

J H Herlocker

Print Name

10/21/2022

Title

Karl T Murphy
Karl T Murphy (Oct 19, 2022 08:35 MDT)

Authorized Signature

Institution

Print Name

Title

Kelly Barclay
Kelly Barclay (Oct 19, 2022 09:49 CDT)

Authorized Signature

Ozona Bank

Institution

Kelly Barclay

Print Name

President & CEO

Title

Kelly Mitchell
Kelly Mitchell (Oct 19, 2022 09:23 CDT)

Authorized Signature

Institution

Print Name

Title

Kyle Baltz
Kyle Baltz (Oct 19, 2022 09:11 CDT)

Authorized Signature

RiverBank

Institution

Kyle Baltz

Print Name

CEO

Title

Lee Judd
Lee Judd (Oct 19, 2022 11:51 MDT)

Authorized Signature

Tucumcari Federal Saving

Institution

Lee Judd

Print Name

President/CEO

Title

Lisa Back

Lisa Back (Oct 19, 2022 09:09 CDT)

Authorized Signature

Velocity Credit Union

Institution

Lisa Back

Print Name

EVP, CFO

Title

Lisa Works

Lisa Works (Oct 19, 2022 10:06 CDT)

Authorized Signature

Mississippi River Bank

Institution

Lisa Works

Print Name

President & COO

Title

Louis Zientek

Louis Zientek (Oct 19, 2022 13:42 CDT)

Authorized Signature

Communities of Abilene F

Institution

Louis Zientek

Print Name

President/CEO

Title

Mac Langford

Mac Langford (Oct 19, 2022 09:00 MDT)

Authorized Signature

American Heritage Bank

Institution

Mac Langford

Print Name

President

Title

Michael Cope

Michael Cope (Oct 20, 2022 09:57 CDT)

Authorized Signature

The Commercial Bank

Institution

Michael Cope

Print Name

President-CEO

Title

Max S. Yates

Max S. Yates (Oct 19, 2022 13:15 CDT)

Authorized Signature

Print Name

Title

Matt Koch

Matt Koch (Oct 19, 2022 07:44 CDT)

Authorized Signature

Institution

Print Name

Title

Mary Fowler

Mary Fowler (Oct 19, 2022 08:37 CDT)

Authorized Signature

The Peoples Bank

Institution

Mary Fowler

Print Name

CEO

Title

Mark S. Marionneaux

Mark S. Marionneaux (Oct 20, 2022 14:12 CDT)

Authorized Signature

Bank of Zachary

Institution

Mark S. Marionneaux

Print Name

President/CEO

Title

Michael W. Donnell

Michael W. Donnell (Oct 19, 2022 15:16 CDT)

Authorized Signature

Chambers Bank

Institution

Michael W. Donnell

Print Name

President

Title

Mike Athens

Mike Athens (Oct 19, 2022 10:03 MDT)

Authorized Signature

Rio Grande Credit Union

Institution

Mike Athens

Print Name

President/CEO

Title

Michael S. Newton

Michael S. Newton (Oct 19, 2022 09:21 CDT)

Authorized Signature

Exchange Bank & Trust C

Institution

Michael S. Newton

Print Name

President/CEO

Title

Nancy Mullins

Nancy Mullins (Oct 20, 2022 11:57 CDT)

Authorized Signature

First National Bank Texas

Institution

Nancy Mullins

Print Name

EVP / Chief Investment O

Title

Robert Dudley

Robert Dudley (Oct 19, 2022 08:37 CDT)

Authorized Signature

Institution

Print Name

Title

Ray Stidham

Ray Stidham (Oct 21, 2022 07:25 CDT)

Authorized Signature

Priority Bank

Institution

Ray Stidham

Print Name

President

Title

Ray Owen

Ray Owen (Oct 19, 2022 09:09 MDT)

Authorized Signature

Institution

Print Name

Title

Randy Harris

Randy Harris (Oct 19, 2022 13:31 MDT)

Authorized Signature

The Bank of Clovis

Institution

Randy Harris

Print Name

Chairman & CEO

Title

Robert McDonald

Robert McDonald (Oct 20, 2022 10:09 CDT)

Authorized Signature

InTouch Credit Union

Institution

Robert McDonald

Print Name

SVP/Chief Financial Officer

Title

Robert W. Spencer, EVP/CFO

Robert W. Spencer, EVP/CFO (Oct 19, 2022 09:19 CDT)

Authorized Signature

BNA Bank

Institution

Robert W. Spencer

Print Name

EVP/CFO

Title

Robert Weinzapfel

Robert Weinzapfel (Oct 19, 2022 14:28 EDT)

Authorized Signature

Muenster State Bank

Institution

Robert Weinzapfel

Print Name

President

Title

Ron Perry

Ron Perry (Oct 19, 2022 07:50 CDT)

Authorized Signature

Mobility Credit Union

Institution

Ron Perry

Print Name

CEO

Title

Sam Kana

Sam Kana (Oct 19, 2022 08:33 CDT)

Authorized Signature

The First National Bank of

Institution

Sam Kana

Print Name

President/CEO

Title

Suzan Gallion

Suzan Gallion (Oct 19, 2022 09:01 CDT)

Authorized Signature

Security State Bank & Tru

Institution

Suzan Gallion

Print Name

CFO

Title

Steve Stapp

Steve Stapp (Oct 19, 2022 07:37 CDT)

Authorized Signature

R Bank

Institution

Steve STapp

Print Name

President/CEO

Title

Stephen Mathews

Stephen Mathews (Oct 20, 2022 08:05 CDT)

Authorized Signature

La Capitol FCU

Institution

Stephen Mathews

Print Name

Chief Financial Officer

Title

Shelley Sanders

Shelley Sanders (Oct 19, 2022 10:20 CDT)

Authorized Signature

Greater New Orleans Fed

Institution

Shelley Sanders

Print Name

President & CEO

Title

Tommie E. Shackelford, Jr.

Tommie E. Shackelford, Jr. (Oct 19, 2022 09:12 CDT)

Authorized Signature

Partners Bank

Institution

Tommie E. Shackelford, Jr.

Print Name

Senior Vice President anc

Title

Vince Bordano

Vince Bordano (Oct 20, 2022 21:00 CDT)

Authorized Signature

Jefferson Bank

Institution

Vince Bordano

Print Name

EVP & CFO

Title

VWat

Veronica Watkins (Oct 20, 2022 06:43 CDT)

Authorized Signature

Worthington National Bank

Institution

Veronica Watkins

Print Name

CFO/ EVP

Title

Tommy White

Tommy White (Oct 19, 2022 09:23 CDT)

Authorized Signature

First National Bank

Institution

Tommy White

Print Name

CFO

Title

Wade Donnell, CEO

Wade Donnell, CEO (Oct 19, 2022 11:00 CDT)

Authorized Signature

NBT Financial Bank

Institution

Wade Donnell

Print Name

CEO

Title

William C. Lehr

William C. Lehr (Oct 19, 2022 08:32 CDT)

Authorized Signature

Community Bank of Missis

Institution

William C. Lehr

Print Name

Chief Investment Officer

Title

wade miller

wade miller (Oct 19, 2022 13:45 CDT)

Authorized Signature

Horizon Bank, SSB

Institution

wade miller

Print Name

CFO

Title

Wade O. Easley

Wade O. Easley (Oct 19, 2022 09:32 CDT)

Authorized Signature

Institution

Print Name

Title

Yvette M. Williams

Yvette M. Williams (Oct 19, 2022 10:10 MDT)

Authorized Signature

Community 1st Bank Las

Institution

Yvette M. Williams

Print Name

CEO/President

Title