



October 24, 2022

Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

To Whom it May Concern:

Centris Federal Credit Union is a \$1.2 billion financial cooperative founded in 1934 in Omaha, Nebraska and has been a member of FHLBank Topeka since 1997. One of the primary reasons Centris is a member of the FHLBank system is because of the cooperative model that aligns both organizations around common goals and objectives. In addition, the regional model of the FHLBank system further refines that alignment at the state and local levels.

Outside of member deposits, FHLBank Topeka continues to be Centris' primary source of loan funding for our member-owners. The evolution in the banking industry has created challenges for many institutions to maintain and grow core deposits due to the following reasons:

- Depositors are in control of when the deposits come and go:
 - Non-maturity deposits can leave anytime at the depositor's discretion.
 - Time deposits may leave prior to maturity depending on depositor circumstances despite an early withdrawal penalty.
- Deposits may not be available in the quantity and structure to meet Centris' lending needs.
- Deposits take time to attract and gather.
- Competition for deposits is increasing both locally and nationally and in some cases from non-traditional banking institutions.

FHLBank Advance Products are critical to our success for the following reasons:

- Centris can control the timing and the rate is certain.
- We determine the advance structure including the final maturity.
- Advances are attractively priced when considering the dividend received on the FHLB Topeka stock and compare favorably to market deposits when evaluated on a marginal cost basis.
- Borrowing from FHLBank Topeka does not have the same negative regulatory stigma as borrowings from the Federal Reserve's discount window.

Lastly, FHLB Topeka plays a critical role in Centris' community development and residential mortgage lending capabilities. By offering competitive pricing on qualifying residential mortgage loan products, FHLBank Topeka provides liquidity and helps mitigate the risks associated with retaining long-term fixed-rate residential mortgages in our loan portfolio. FHLBank Topeka has the tools and the talent to hedge the interest rate risk while returning an attractive dividend to its members.

In conclusion, FHLBank Topeka has reliably provided Centris Federal Credit Union with the necessary liquidity to meet the needs of our member-owners and the regulatory requirements of the NCUA. The

financial crisis of 2008-2009 proved the reliability of the FHLBank system when other public and private entities failed.

Thank you for the opportunity to comment on the future of the FHLBank system.

Sincerely,

A handwritten signature in black ink that reads "Steve Swanstrom". The signature is written in a cursive, flowing style.

Steve Swanstrom
President & CEO