



October 25, 2022

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

To Whom It May Concern

3Rivers Federal Credit Union is a long time member of the Federal Home Loan Bank of Indianapolis. We are active users of advances and we participate in the Mortgage Purchase Program. The MPP is valuable to the CU because of the return to our members on their strong repayment performance with the LRA. Our members have been appreciative recipients of very impactful AHP and Elevate grants in recent years as well. The FHLBI is an instrumental partner in our management of the credit union in the following ways:

1. Credit Products

- a. Liquidity - Both the advances and the MPP provide liquidity for the credit union to meet the needs of our membership. It reduces our dependency to hold cash in reserves that is inefficient and unneeded for a well-capitalized financial institution. The system provides effective access to capital markets that would otherwise not be available to member owners.
- b. Letters of Credit - We have used the cooperatives bond rating to be able to issue Letters of Credit to support our members that beneficiaries would not accept from the credit union alone. Our members would have been forced to take some portion of the relationship to a large money center bank to accommodate the credit enhancement.

2. Direct Support

- a. Affordable Housing Program (AHP) Community Development - We have received AHP Grants in the past with the most recent being a \$500,000 grant to support a new independent residential campus for individuals living with disabilities.
- b. Small Business Grants with Elevate - Our members have received multiple, small dollar, but very impactful grants to fund their businesses' growth.
- c. Home Ownership Program (HOP) - We have in the past participated in the highly competitive HOP funding for down payment assistance. We would use this program more, but funds run out quickly.



It is not hyperbole to say that FHLBI has been instrumental to our growth and success. In fact, not only would we not be where we are today without the system, we would be strong advocates for expansion of their reach and capabilities.

One of the items that would help us carry out our mission better would be greater collateral flexibility. This would benefit our ability to effectively support our communities with no additional risk. I would like to give you a couple of specific examples. One area of assistance would be increasing the ratings services allowed for collateral. Currently, Morningstar is not an approved ratings agency for collateral purposes despite being a Nationally Recognized Statistical Ratings Organization (NRSROs). This seems arbitrary as Morningstar is a well-known and highly regarded NRSRO. AAA rated investment securities that we have purchased that were rated by Morningstar are not eligible for collateral pledging. Another collateral example would be allowing imaged notes as collateral. As we moved away from paper files, we image loan documents when possible for quicker retrieval, but now are unable to pledge these loans.

We appreciate the opportunity to comment and thank you in advance for your consideration on these collateral pledging issues above. I would be more than happy to discuss or answer any questions you would have as well.

Sincerely,

3Rivers Federal Credit Union

Don Cates

President and CEO