



October 18, 2022

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

Dear Director Thompson:

I write in response to the Federal Housing Finance Agency's announcement of a comprehensive review of the Federal Home Loan Banks (the FHLBanks).

I am serving my first term on the board of the FHLBank and president and CEO of Ion Bank, a \$2.1 billion bank that has served communities in Connecticut for more than 150 years. We are a mutual bank, owned by our deposit account holders, not shareholders. In lieu of dividends, we aim to donate 10% of our earnings each year to the Ion Bank Foundation, a 501(c) company. The foundation recently celebrated the passing of \$10 million of donations/grants provided since inception.

My comments below are focused on four areas of the FHLBanks: governance, varied membership, regional structure and voluntary programs, and statutory programs.

Governance

Both the financial and the housing and community development industry of New England are represented on FHLBank Boston's board of directors, with eight member and seven independent directors. Our member institutions can be confident that the issues and concerns we share with other members, whether industry-based or housing and community development-based, are fully communicated and discussed.

Our members appreciate and value their partnership with the FHLBank Boston and work in several ways to help improve and refine products and services. For example, Ion's chief financial officer, Ginger Fennel, serves on the Member Advisory Panel, with her peers from other member institutions. The MAP meets regularly with FHLBank Boston leadership and staff to offer suggestions and feedback.

Varied membership

FHLBank Boston counts 425 members across New England: 141 savings institutions, 159 credit unions, 50 commercial banks, 71 insurance companies, and 4 CDFIs. A lot of these banks are mutual and as you know, credit unions are owned by its depositors or members. Throughout its 90 years, the FHLBank Boston has always been a safe, stable, and accessible source of liquidity. As of June 30, our members have collectively \$25.8 billion in advances (loans) outstanding and own more than \$1.2 billion in capital stock.

Many of these members are small institutions, such as Ion Bank, that would otherwise not have access to the funding options provided by FHLBank, which help them provide financial services for individuals and families.

Regional structure and voluntary programs

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 through their Affordable Housing Program (AHP), 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.

The Jobs for New England (JNE) program subsidizes interest costs, allowing our members to provide discounted loans to support small businesses. And the FHLBank Boston's Housing Our Workforce program partners with members to provide income-eligible homebuyers with matching grants for down payments.

Statutory programs

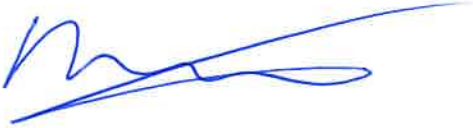
These voluntary programs help us serve our communities just as the more well-known, statutory FHLBank programs have done for decades. Since the AHP's inception in 1999 through 2021, FHLBank Boston members have been awarded more than \$721.9 million in total subsidies and subsidized advances to create or preserve more than 35,340 affordable rental and ownership units throughout New England and beyond.

A portion of AHP funding supports the Equity Builder Program (EBP), which offers grants to help buyers earning up to 80% of the area median income with down-payment, closing cost, and home rehabilitation assistance, and homebuyer education and counseling. Ion Bank has partnered with FHLBank Boston in this program since 2014.

For 90 years and counting, the FHLBanks have fulfilled their mission to serve as a source of liquidity for its members. In undertaking the review, the FHFA should take care to maintain three key principles: preserving the regional nature of the FHLBanks, maintaining members' current access to FHLBank products and services, and enhancing the value and importance of the FHLBanks to their members and the communities they serve.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Rotatori', with a long horizontal flourish extending to the right.

David Rotatori

Board of Directors

Federal Home Loan Bank of Boston

President and CEO

Ion Bank