



October 20, 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 am chief strategy officer of Easthampton Savings Bank, a \$1.75 billion bank serving Central and Western Massachusetts communities.

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, the Member Advisory Panel, which is composed of member lending officers and staff, 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. 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 Easthampton Savings, that would otherwise not have access to FHLBank Boston's many funding options, which help us provide financial services for individuals and families in traditionally underserved areas.

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. 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.

For example, Easthampton Savings has participated in the Housing Our Workforce program, which 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 homebuyers earning up to 80% of the area median income with down-payment, closing cost, and home rehabilitation assistance, and homebuyer education and counseling. Easthampton Savings Bank has partnered with FHLBank Boston in this program since 2014, awarding a total of \$1.1 million in grants to help homebuyers.

And the Community Development Advance (CDA) program is a discounted fixed-rated financing program which our members have used to support affordable housing development or small business loans in their communities. Easthampton Savings has provided more than \$122 million in advances (loans) through this funding option.

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,



William M. Parent
Board of Directors
Federal Home Loan Bank of Boston

Chief Strategy Officer
Easthampton Savings Bank