October 28, 2022

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

RE: Request for comments to FHFA's comprehensive review of the Federal Home Loan Bank System, August 31, 2022

Dear Ms. Thompson,

Enterprise Community Loan Fund, Inc. (ECLF) is a high performing national CDFI and part of the capital platform of Enterprise Community Partners, Inc. ("Enterprise") and its affiliate organizations. ECLF works with Enterprise local markets to identify financing gaps and evaluate high priority projects, leveraging each market's expertise and technical assistance with our investments to serve low-income families and communities. Over the course of our 40-year history, ECLF's cumulative $2.3 billion in investment has generated significant measurable impacts, including the development or preservation of over 127,300 affordable housing units.

ECLF has been a member of the FHLB of Atlanta since 2016. As a member, we have taken advantage of the bank's advance window, along with its Community Investment Program (CIP) advances, sponsored several borrowers to access grants under the Affordable Housing Program (AHP) and also used the bank's deposit platform. Becoming an FHLB member has allowed us to enhance and diversify our capital structure in addition to accessing critical funds needed to assist developers who are working in low-income communities. We are pleased to be a member and greatly appreciate the willingness of staff of the FHLB of Atlanta to work with us to both access its products and understand how we could better utilize its offerings. Although we are a small member as measured by asset size, we feel valued by the amount of attention and assistance we receive.

We offer the following comments with respect to the questions posed by FHFA in its request for public comment to FHFA's comprehensive review of the Federal Home Loan Bank System:

1. Two of the biggest challenges for CDFIs is providing collateral that FHLBs will accept, and when acceptable, that it receives a substantial haircut to the CDFI's advance rate. We understand that CDFIs are not regulated. That said, if the same collateral were provided by a bank member, the haircut would be substantially lower. We recommend that FHLBs be encouraged to look at each CDFI's financial strength individually rather than grouping and treating CDFIs according to general standards for the industry. CDFIs vary significantly in their organization and credit strength. One specific defining factor that should be considered is whether a CDFI is rated by one of the big three public rating firms. Collateral for a rated CDFI should be treated the same way as other members with the same rating.

Additionally, we encourage the FHFA to allow member organizations to provide third-party collateral for their advances. CDFIs work with other FHLB members, such as banks and credit unions, along with other community development investors, such as foundations. These organizations and are strong partners for CDFIs in supporting the investments we make. Allowing these third-party partners to provide collateral for CDFIs would provide significantly greater access to the FHLB advance window while at the same time providing another avenue for banks and credit unions to meet their CRA targets and foundations to meet their charitable objectives.

2. Currently, ten percent of a FHLB's net income goes towards products and/or advances to support community development in low-income communities. We think this percentage should be higher. Since FHLBs are not subject to corporate taxes, we suggest *at a minimum* matching the 15% Minimum Corporate Tax rate, which is a conservative and highly defensible threshold.

We appreciate the opportunity to comment and look forward to answering any additional questions you may have regarding our feedback.

Sincerely,

Elise Balboni

Elise Balboni
President
Enterprise Community Loan Fund, Inc.