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Federal Housing Finance Agency
400 7th Street, SW
Washington, D.C. 20024

To Whom It May Concern:

It is my pleasure to submit this letter in response to the FHFA's request for community input as part of the FHLBank System at 100: Focusing on the Future.

I am a member director at the FHLBNY, representing the members in Puerto Rico and the US Virgin Islands. We have 14 members in the region, representing a diverse group of banks, credit unions, insurance companies and housing associates, which we hope will be expanding before the end of this year. I think all our members believe that the primary focus of the FHLBanks, to support housing by providing liquidity and related services to the members, contributes greatly to the stability, breadth and reach of the member's efforts to support housing, community development and the wellbeing of the region.

The liquidity mandate of the FHLB is best represented by the availability of liquidity made available to the members:

- Current Lendable Value to all PR/USVI members pledging collateral is approximately \$4.3B.
- Current Advances outstanding to all PR/USVI members is approximately \$244 million.
- Current L/Cs outstanding to all PR/USVI members is approximately \$650 million.

While at the present time, given the amount of excess present in the financial markets, these levels may seem modest, many times in the past – and surely in the future, the FHLBNY has been a key provider of liquidity to our markets, which from time to time can suffer from liquidity challenges.

But in addition to the liquidity, the FHLBNY has provided significant additional contributions to our region through its many programs:

- Since the inception of the Affordable Housing Program, the FHLBNY, through its member lenders and their local partners (non-profit and for-profit affordable housing developers), has awarded approximately \$867 million in AHP grants across nearly 2,000 projects for the creation of over 97,000 units of affordable housing in Puerto Rico and the U.S. Virgin Islands.
- Additionally, since inception of the set-aside programs (Initially the First Home Club program and now the Homebuyer Dream Program), the FHLBNY has made commitments of grant subsidy to over 21,000 households, for a total of over \$171 million.
- Community Investment Cash Advance-Disaster Relief Funding (CICA-DRF) funding since Hurricane Maria amounts to \$747 million (Please note that the FHLBNY made similar CICA-DRF funding available to New York and New Jersey following the devastation of Hurricane Sandy)

- Small Business Recover Grant Program and Homeowner Recovery Grant Program funding since Hurricane Maria amounts to \$5 million related to hurricane relief and \$14 million for COVID relief, resulting in \$19 million in grant funding
- Charitable contributions related to disaster aid and assistance since Hurricane Maria amounts to \$775,000 for hurricane relief, \$500,000 for earthquake relief, and \$525,000 for COVID relief, with the FHLBNY now making an additional \$500,000 in contributions for aid and assistance following Hurricane Fiona, for a total of \$2.3 million in contributions
- Additionally, the FHLBNY plans on announcing later this week an additional \$500,000 in charitable contributions to relief organizations in Puerto Rico to assist with Hurricane Fiona relief efforts.

In fact, the contributions of the FHLBNY are even recognized in government and legislative arenas. This is best represented by the fact that in December 2021 Puerto Rico became the first FHLBNY insurance jurisdiction to amend Puerto Rico insurance law to provide the FHLBNY a preferred creditor status in the event of an insurance company enters receivership. The passage of the bill will translate to more favorable terms for local Puerto Rico insurance companies.

I celebrate and applaud the FHFA's effort to revisit the performance and future of the system, a valid and worthwhile effort as the system approaches its centenary. Having said that, the system is working remarkably well, and I urge the agency to cautiously consider any potential changes to the system. Longevity is sometimes the best confirmation that what has been created and developed by many wise and dedicated teams in the past, is worth safeguarding.

The FHLBank System's cooperative nature and regional structure not only creates a deeper local understanding at each FHLBank, with products and services tailored to the communities served by its members, but also creates a much closer connection between the FHLBanks and their members than that which may exist with other liquidity providers. This enables a more responsive and locally focused source of liquidity for members.

Sincerely,



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Corporate Finance Group