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October 27, 2022

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

Re: Request for Comments Regarding Federal Home Loan Bank

To Whom It May Concern:

Consumers Cooperative Credit Union (CCU) appreciates the opportunity to respond to the Federal Housing Finance Agency's (FHFA) request for comments regarding the Federal Home Loan Bank (FHLBank).

By way of background, CCU is a federally insured, Illinois state-chartered credit union. CCU received its charter in 1971. CCU has grown to become one of the largest credit unions in Illinois, with over 193,000 members and approximately \$3 billion in assets. CCU, in addition to serving the needs of local communities with branches located in Northern Illinois and Southern Wisconsin, also lends to members located throughout the United States. CCU is driven by a singular goal -- improving the lives of its members and communities through a financial system that encourages saving and allows members to loan money to each other.

Why CCU is an FHLBank Chicago member

The FHLBank of Chicago (FHLBC) provides CCU with a valuable source of funding, standby liquidity, and tools for asset-liability management. FHLBC's lower rate advance products are critical to CCU's ability to finance residential mortgages and multifamily housing for lower income or credit challenged borrowers. The receipt of a dividend on the additional stock purchase for the advance in effect further reduces the cost of the advance. CCU has also been able to use FHLBC advances to offset larger commercial loans and pools of non-conforming mortgage loans held on our books.

FHLBC conducts periodic collateral reviews with CCU to establish the amount it will lend against each collateral type and applies a margin based on our creditworthiness and financial condition. This favorably impacts the amount CCU can borrow based on the collateral it has pledged.

CCU also benefits from FHLBC's expertise, including monthly meetings with its FHLBC representative to review the services we use and other services offered, as well as periodic attendance at our AL Meetings and Board Meetings to review different ALM strategies for funding options.

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Products and Services used by CCU

The wide variety of products and services offered by FHLBC to its members affords great flexibility to match the particular needs of the financial institution. CCU uses and/or has used the following products and services from FHLBC:

- Safe keeping of investments and use for collateral for advances
- Sale of mortgage loans (MPF)
- Advances for liquidity – both fixed rate and variable rate advances. CCU has also used the puttable advance.
- Letters of credit for municipalities
- The DPP program, which helps low- and moderate-income home buyers to obtain loans that their income or savings would not otherwise permit
- Pledge loans for use with Advances
- AHP grants

The benefits to CCU'S members and the community

By taking advances at lower rates, CCU is better able to meet the unique needs of rural and financially vulnerable communities. The products and services of FHLBC are expected to become even more valuable when rules are promulgated to implement Illinois' new Community Reinvestment Act.

As another example, FHLBC made available to its members interest-free advances for a period of two years and a lower than market interest rate for an additional one year. These favorable advance terms assisted CCU to meet the then surging demand for residential mortgages.

CCU greatly values the products, services, expertise and support of FHLBank in helping CCU to meet its member and community-based objectives. Thank you for the opportunity to share the foregoing comments for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Sean Rathjen". The signature is written in a cursive, flowing style.

Sean Rathjen
Chief Executive Officer