

March 7, 2023

The Honorable Sandra L. Thompson
Director Federal Housing Finance Agency
400 Seventh Street SW
P.O. Box 2508
Washington, DC 20024

RE: Comprehensive Review of the Federal Home Loan Bank System

Dear Director Thompson:

We have been a member of the Federal Home Loan Bank of San Francisco (FHLBSF) for over 20 years. Our membership has allowed us to better serve our communities in various ways, as follows:

1. The FHLBSF gives us access to reasonably priced fixed rate long-term advances. Fixed rate long-term funding at a reasonable price would otherwise be unavailable to us, and we would be unable to hold as many long-term fixed rate real estate loans on our books. This would harm our Members who rely on these types of loans to finance new home purchases or refinance existing loans.
2. The FHLBSF is a reliable and cost-effective liquidity source which helps us manage short term liquidity fluctuations. Managing these fluctuations allows us to provide mortgage credit and consumer credit on an uninterrupted basis to our Members. Most of our consumer loans are auto loans, which when combined with our real estate loans, are financing what are arguably the two most important success drivers for many Americans – A secure place to live (either owned or rented) and a car.
3. As a member of the FHLBSF, we have received generous dividends over the years. These dividends increase our net income and net worth, and expand our ability to make loans to our Members.
4. The FHLBSF serves as our safekeeping agent for our investment securities. Their fees are reasonable and the service excellent. The government backing of the FHLBSF allows us to be assured that our securities are being held safely and securely, and that all principal and interest payments will be remitted to us.

Our membership in the FHLBSF is a privilege for which we are thankful. It enables us to better serve the credit needs of our Members, including providing credit to lower FICO score borrowers. Any changes to the FHLBSF's operating mandate which would restrict our access to advances would harm our ability to meet the credit needs of our Members, and we are opposed to such changes.

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I appreciate the opportunity to explain the benefits to our Members and communities that result from our relationship with the FHLBSF, and look forward to its continuation.

Sincerely,



Mr. Dave Gunderson
President/CEO