



**MONTANA
BANKERS
ASSOCIATION**

Leadership & Advocacy Since 1904

March 8 , 2023
To: Federal Housing Finance Agency
RE: FHLBank System at 100

To whom it concerns,

On behalf of our member banks, which include most of the state-chartered banks in Montana, we appreciate the opportunity to highlight the importance of the FHLB System, and the FHLB Des Moines in particular, with its unique positive impact on Montana's economy, communities and families. As you review the program, we strongly encourage you to support and enhance existing FHLB programs so they may continue as a vital enhancement of our housing economy.

FHLB Des Moines has provided \$19.3 million in affordable housing grants, \$12.3 million in down payment grants, and \$193 million in mortgage programs in Montana to help make housing more affordable to some of the families who need it most. Further, the FHLB Des Moines provides funding and liquidity to banks headquartered in Montana that support their ability to make mortgages more affordable for home buyers. We would like to emphasize that many Montana banks go well beyond what is required to support housing and economic development programs. The FHLB System and FHLB Des Moines is integral to Montana communities and is an essential part of addressing Montana's acute need for affordable housing.

Limiting participation by "large financial institutions," or imposing burdensome rules such as requiring an ongoing asset-based test or tracking how FHLB advances are used, will negatively impact pricing stability, broad collateral availability, and may have a material negative impact on FHLB Des Moines earnings available for AHP disbursements. Ultimately this may have negative consequences for Montana banks and the customers they serve, who significantly rely upon the FHLB System's low-cost liquidity. The low-cost and readily available liquidity provided by the FHLB System helps make housing in Montana more affordable to more families. Participation by larger banks helps stabilize the FHLB System, and enables Montana banks to support affordable housing programs, and significant investments in their respective communities.

We appreciate the opportunity to offer these insights. Thank you for your interest.

Respectfully,


Cary Hegreberg
President & CEO

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