



March 14, 2023

Tricorp is a corporate credit union serving credit unions primarily in Maine, New Hampshire and Vermont with a few additional credit unions from Massachusetts and Rhode Island. Tricorp's primary function is to provide overnight funding, net payment settlement and correspondent financial services to its members. Just about all of our funding comes in the form of overnight deposits from our member credit unions that they use to fund their payment activities.

Credit unions in the Northeast are more heavily involved in real estate lending and have been for many years. When credit unions need liquidity to fund their real estate lending activity, they use their funds in their Tricorp account first because they are liquid and can be withdrawn as needed. As a result, we do experience a lot of volatility in our balance sheet and by using overnight advances from the FHLB, we are able to fund credit union real estate lending and other payment activity while maintaining a stable balance sheet. This strategy allows us to help credit unions meet their funding needs and continue to fund their mortgages while also giving Tricorp a stable funding source during times of volatile liquidity.

The most important function that Tricorp performs for its members is to help them fund their payment activity of which real estate lending is an important component. We do so by providing them with a place to park overnight funds and in doing so, credit unions earn a market rate of return and they do not have to tie up their funds in longer maturities that can have volatile pricing if the credit unions need to turn longer term investments into cash. It keeps them nimble in meeting ongoing liquidity needs and provides them with a stable place to maintain overnight funds. In short, Tricorp's use of overnight advances from the FHLB Boston allows it and its member credit unions to properly manage their balance sheets and stay properly positioned for their ongoing liquidity needs.

Many of Tricorp's members are smaller institutions with assets of less than \$50 million. For those credit unions FHLB membership may not be feasible and Tricorp is their primary financial correspondent. We are a very important partner for those credit unions in terms of providing settlement and managing their overnight liquidity. Our FHLB membership plays a very important role in allowing us to help these credit unions through the seasonal ups and downs of their liquidity so they are able to make mortgage loans and not worry that they will not have a liquidity source. In this way, Tricorp and the FHLB Boston are partnering to serve the liquidity needs of our smaller credit unions.

Tricorp has been in operation since 1976 and serves its member credit unions as an effective and efficient correspondent financial institution. Our main mission is to be a liquidity source and resource for our members and the FHLB Boston is a very important part of our mission. The

FHLB Boston is a critical funding source for us and it helps us to facilitate the settlement and funding needs of our members. We only provide short term funding to cover daily settlement and then encourage our credit unions to become FHLB members for longer term funding. It is a partnership that serves our members very well and helps them provide very competitive and affordable mortgages to their members. Tricorp's ability to meet the funding needs of its members is as good as it is today because we can manage the volatility of funding an overnight balance sheet with FHLB Boston advances which is in the best interest of the FHLB Boston, Tricorp and most importantly Tricorp's members who are providing real estate and mortgage lending to their consumer members.

Finally, I wish to emphasize how important reliable access to FHLB Boston is to our financial institution. Credit unions in Maine, New Hampshire and Vermont play an important role in the financing of mortgages and Tricorp plays an important role in helping credit unions to properly position their balance sheets. We most certainly value our FHLB membership and partnership and want it to continue so that we can both serve the payment and real estate funding needs of credit unions throughout Maine, New Hampshire and Vermont. Thank you for the opportunity to submit a comment.

Sincerely,

A handwritten signature in cursive script that reads "Stephen A. Roy". The ink is dark and the signature is fluid and legible.

Stephen A. Roy  
President/CEO