



For a Better Way of Life.®

P.O. Box 2847 • Fargo, ND 58108-2847

March 15, 2023

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
Constitution Center
400 7th Street SW
Washington, D.C. 20219

RE: FHFA Review of the Federal Home Loan Bank System

Dear Director Thompson,

On behalf of Gate City Bank, thank you for the opportunity to comment on the FHFA review of the Federal Home Loan Bank (FHLB) system. We sincerely appreciate the role the FHLB of Des Moines plays as a long-time partner and resource, helping us to better serve the people and places we call home.

Since 1923, Gate City Bank has been committed to creating a better way of life for our customers, team members and communities. Over the past 100 years, we've expanded into 43 locations in 22 communities throughout North Dakota and central Minnesota – creating a legacy across the Midwest.

As the region's leading financial institution and the #1 mortgage lender in North Dakota, we've been honored to support our communities with \$59 million in low-interest loans for neighborhood housing revitalizations across our footprint, as well as over \$36.6 million in philanthropic giving since 2003. In addition, Gate City Bank was recently recognized with the 2022 Champion of Affordable Housing Award of Excellence for exceptional contributions to affordable homeownership across North Dakota.

The FHLB's commitment to supporting community-focused financial institutions like ours with reliable and affordable liquidity ensures we're able to continue to serve our customers' and communities' needs. If access to the liquidity provided by FHLB is not available, the capacity for us to fund loans for customers would be greatly reduced – resulting in assisting fewer customers throughout North Dakota and central Minnesota. Currently, FHLB provides a critical source of contingent liquidity allowing Gate City Bank to hold over \$1.4B of 1-4 family loans in our portfolio. FHLB resources continue to aid Gate City Bank in supporting community development, providing affordable home loans and assisting with balance sheet management.

As an example, with the help of FHLB of Des Moines, Gate City Bank sponsored the YWCA of Cass Clay in receiving a \$750,000 grant for their Lantern Light program – creating safe and affordable housing for people facing domestic violence and homelessness in our region. This incredible benefit to our entire community would not have been possible without the partnership of FHLB.

To put it simply, as a \$3.4 billion mutual bank, we would not be as strong as we are today without the beneficial partnership that we've experienced with FHLB. We'd be remiss not to express our gratitude for the valuable resources, knowledge and guidance they've been providing to us since 1932. As Gate City Bank is the oldest member of the FHLB Des Moines, we're proud of this partnership and the history of support over the last 91 years.

FHLB has been critical to our success and to the nation's affordable housing infrastructure. It also allows us to make affordable home ownership available and meet the funding needs of our states, communities and local institutions by providing access to quick and meaningful liquidity.

With pride and appreciation, we are honored and committed to continuing our partnership with FHLB for many years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "CL Lee". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Chris Lee
Executive Vice President/Chief Financial Officer
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