



To: Sandra L. Thompson, FHFA Director
From: Nicholas Ambrosini, President / CEO, Valley Strong Credit Union
March 17, 2023
Re: Federal Home Loan Bank

Director Thompson,

We thank you for the opportunity to share our views with the Federal Housing Finance Agency (FHFA) at this important juncture regarding the FHLBank San Francisco (FHLBSF). Our association with the FHLBSF runs long and deep, dating back to 2001. They have been a valuable partner in our ability to provide core services to our members who might otherwise have limited access to financial services in the markets we serve.

Valley Strong Credit Union has more than \$4 billion in assets serving nearly 293,000 members with a geographical footprint that stretches 300 miles across Northern and Central California. We are designated a low-income credit union, meaning many of our members struggle to meet their daily needs and would be in considerably more difficult circumstances without our assistance. In fact, we currently seek Community Development Financial Institution (CDFI) status and have an application pending with the U.S. Treasury. We expect approval in the near future.

Liquidity is the lifeblood of our organization and the FHLBSF offers a key protection as we navigate an uncertain landscape of high interest rates, inflation, and threats of a recession. As mentioned above, our relationship with FHLBSF provides flexibility in offering a suite of products and services including a more stable rate environment, robust lending opportunities – both business and retail - and a reliable, secure funding mechanism when the situation dictates a call to action. Restricting that access to financial support would have a deleterious effect on our members and the communities we serve as it would limit our opportunities to achieve their financial goals. Mortgages, lines of equity, secured and unsecured consumer loans, solar, construction and other lending products all would suffer without the support of the FHLBSF and its unique liquidity streams.

FHLBSF provides numerous community programs from credit programs to traditional grants offerings. We know first hand the challenges California faces in home affordability and these programs are immensely valuable in ensuring there is supply of housing for our members and that it is affordable. Not-for-profit credit unions play a critical role in the communities they serve, offering support to the underserved. Without the programs provided by the FHLBSF at reasonable costs, our field of membership would be placed at unnecessary risk.

In summary, we encourage the FHFA to be thoughtful and sensitive to the needs of our organization and like industries. It should consider safeguarding its access as well as continuing to provide high-value leadership to the nation's financial fabric. Furthermore, any move to restrict or reduce that access should be met with fierce opposition, particularly given the disproportionate effect that might have on the underserved.

Thank you for the opportunity to present our views.

Nicholas Ambrosini

Grow Your Possibilities

P.O. BOX 9506 BAKERSFIELD, CA 93389

VALLEYSTRONG.COM