



**TRUE NORTH**  
FEDERAL CREDIT UNION

March 29, 2023

Sandra L. Thompson, Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, DC 20024

RE: FHLB System at 100

Dear Director Thompson,

First, thank you for the many opportunities to participate in this dialogue. As a Member of the FHLB Des Moines and as the Member Director for Alaska, I see the FHLBank system from multiple perspectives. Through this process I think there is potential for change that will improve the system, but I fear there is also potential for change that will cause significant harm.

I was a participant in the Alaska Roundtable on March 20<sup>th</sup>, and there were a few messages that came across loud and clear. Only a few organizations have been able to make the program work for them. It would benefit from more flexibility and simplicity, lowering barriers to entry and making the program a better fit with other funding sources. Of course, this current complexity makes it more difficult for Member institutions to promote the program with community partners. Additionally, while there was discussion about the limited role member institutions can play in housing in Alaska given our small number, Alaska actually has high participation rates in the FHLB Des Moines programs:

- 69% of Alaska members have granted funds through at least 1 CID product;
- 31% have submitted Affordable Housing Program Applications;
- 54% have disbursed Down Payment Product funds (Home\$tart and NAHI);
- 23% have used Community Investment Advances.

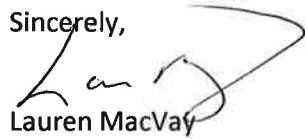
More generally, I want to stress that the FHLB system supports housing and community development through direct and indirect means. Yes, programs like AHP that provide direct benefit are important and can be impactful. But the role of the FHLB as a major provider of liquidity to community financial institutions is utterly critical to keeping local banking options viable. Local banks and credit unions integrate with community partners to offer a myriad of programs that effect housing and community development. For example, True North works with local government to service a down payment assistance program for manufactured homes. Also, we have long offered manufactured housing in a town when virtually no other lender would, and we have a long history of financing condos to assure that units could be sold when mortgages on them were not eligible for sale on the secondary market. We do these things because we saw a need and could offer a solution, but you won't see them as a material percentage of our assets. For us to succeed in serving our communities, we need to know that our FHLB lines are there and that we will not lose them because of fluctuations in our balance sheets.

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Finally, please recognize the resilience in the FHLB system, but also the fact that it's a very complex business model that is delicately in balance. By design, the system is very resilient, and has proven itself to be such throughout its history – and very recently. However, rapid change without full understanding of the impacts could be very disruptive to community financial institutions, and to the FHLB System's very mission.

My thanks for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren MacVay", with a large, stylized flourish extending to the right.

Lauren MacVay  
President/CEO