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UNCLE Credit Union
2100 Las Positas Ct
Livermore, CA 94551

3/27/2023

FHLB San Francisco
333 Bush St.
San Francisco, CA 94104

Dear Sir/Ma'am:

This letter is in response to your request for comments in support of the FHLB SF as the FHFA completes its review of the FHLBank's at 100: Focusing on the Future.

UNCLE Credit Union (UCU) elected to become a member of the FHLB so as to ensure we would have access to a consistent source of operational liquidity. This is of immense benefit to us as a community financial institution because the last thing we want to do is turn members away when they are seeking to obtain credit. Having access to liquidity from the FHLB allows us to continually reinvest in the communities we serve regardless of the ebbs and flows of our share balances.

Accordingly, if our access to borrowing from the FHLB were to be curtailed it would limit our ability to meet the credit needs of our current and potential members. We would be limited to only lending funds as they were made available in the form of shares from our existing members. As a community financial institution we are able to import funds into the communities we serve via such facilities as the FHLB. This is the opposite of many of the large players in the financial services space who only exist to extract funds from the communities they operate in.

Our members have made a substantial investment in UCU (through retained earnings) and every dollar of capital that we earn stays in our community. By having access to the FHLB we are able to use leverage as a multiplier of that investment to the greater good of our communities.

The FHLB system is key partner for community financial institutions. To get a sense of what community banking would look like absent the FHLBanks all one needs to do is rewatch "It's A Wonderful Life". The struggles George Bailey faced keeping his Savings & Loan afloat would be faced by thousands of small banks and Credit Unions throughout the nation.

As we look to the next 100 years of the FHLBank system, I sincerely hope that it continues to level the playing field between those of us who do not have access to the capital markets and the large money center banks. The large banks have the luxury of entering and exiting a market at their whim. Conversely, community financial institutions are an integral part of the communities



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they serve and having access to the debt markets via the FHLBs allows us to survive and thrive while serving our members.

Sincerely,

Terry L. Bishop, CPA
SVP & Chief Financial Officer