



March 31, 2023

Sandra L. Thompson, Director
Federal Housing Finance Agency

Subject: FHLBank System at 100: Focusing on the Future

Dear Director Thompson,

Fidelity Bank has been a member of the Federal Home Loan Bank of Des Moines (FHLB) for decades. As a bank that serves privately held businesses in many industries, including serving as a mortgage warehouse funder to mortgage bankers, we have always understood the importance of liquidity. There have been many times over the years that reliable funding from the FHLB allowed us to better serve our clients and communities when we experienced temporary peaks in our loan and funding needs.

In addition to any one bank's specific needs, the FHLB System has efficiently served the banking system over its 90+ years of existence. The System has seamlessly provided liquidity during various economic and systemic issues, including the Great Recession of 2008, funding of the PPP loans etc. in 2020, and most recently the crisis in confidence of 2023. The importance of the ability to buffer the impacts of these events should not be underestimated.

With respect to affordable housing, the 10% AHP contribution has resulted in arguably one of the most successful public/private non-taxpayer programs providing funding of well over \$7 billion since inception. While ensuring AHP funds are distributed appropriately is important, the current reporting and monitoring requirements are onerous and costly. Improving these requirements to ensure the cost is not greater than the benefit would be an excellent focus area for the Agency.

For over 90 years, in providing a reliable source of liquidity the FHLB has proven to be a partner to each of its member institutions serving as a lender of *first* resort while also playing an important role improving the effectiveness of the banking system as a whole. The FHLB provides reliable access to liquidity to many member institutions that would not otherwise have access to capital markets resulting in a stronger banking system and should continue to be the primary mission of the System over all other ancillary goals.

Thank you for the opportunity to provide feedback on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa Keegan".

Teresa Keegan
EVP/CFO