



Federal Housing Finance Agency

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Roundtable Recap: FHLBank Member Products and Services

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The second *FHLBank System at 100: Focusing on the Future* roundtable discussion on FHLBank member products and services started with participants sharing the products they use. An observation shared was that the FHLBanks do not consistently offer long-term financing and, when offered, it is less attractive than alternative options because of collateral haircuts, eligible collateral types, and mark to market valuations. Nevertheless, this capital is much needed to deliver housing for low- and moderate-income households and to stabilize affordable housing over the long-run.

Participants shared ideas for new products, programs, and services, including purchasing CDFI asset pool originations, assisting rural members in navigating FHA and VA loan programs, providing additional down payment assistance programs for underserved communities, offering adjustable rate mortgage products through the FHLBanks' Acquired Member Asset (AMA) and other secondary mortgage purchase programs, accepting manufactured housing loans and reverse mortgages as eligible collateral, and providing customized amortization options and 30-month forward rate commitments for advance products. A number of suggestions for pilot programs were also described. A participant shared that despite the relatively recent changes to the Affordable Housing Program (AHP) regulation to allow for greater flexibility, the program remains very constrained. The participant shared that AHP dollars are spread thinly and do not make much difference in the development of affordable housing. In addition, participants encouraged the AHP contribution to be increased to 15 to 20 percent of annual net earnings.

It was expressed that the System should get back to the fundamentals and enhance members and housing associates' ability to provide loans for housing and community development. FHFA should provide more guidance around what is permissible within the existing regulatory framework and revisit existing regulations and guidance to allow FHLBanks to meet their mission more effectively. Participants urged the FHLBanks to establish goals across the spectrum of products and services coupled with clear metrics for assessing performance. Further, participants suggested enhancing transparency of FHLBank activities, centralizing certain activities to eliminate redundancies, and establishing common products, standards, and risk practices. FHLBanks were urged to share best practices with each other.

FHFA prepared this roundtable recap to summarize key discussion points. Please [visit the website](#) to view the full roundtable transcript and video recording.