

Please note that this transcript reflects corrections to inaccuracies in the real-time closed captioning in the roundtable video

Joshua Stallings: Welcome to the second part of the FHFA's Roundtable discussion on the Federal Home Loan Bank's role or potential role in supporting Native American communities. My name is Joshua Stallings, and I am the Deputy Director, the FHFA's Division of Federal Home Loan Bank Regulation. I am joined by Eric Howard, Principal Policy Analyst in the Federal Home Loan Bank's affordable housing branch at FHFA. For the benefit of those joining us for the first time, we were just in Oklahoma City for the first part of our roundtable discussion on the support for tribal communities. We hope by now that many of you are familiar with our Federal Home Loan Bank system at 100: Focus on the Future initiative. Today's roundtable is being live streamed, and the video recordings and transcripts for all of these roundtables are or will soon be available on our FHFA website for anyone that would like to watch them. I'll encourage you to visit our website for information and updates about our initiative. With that, I would like to thank our esteemed roundtable participants, our guests joining us here in person, and all of you watching on the live stream. We have been very pleased with a high level of stakeholder interest. Eric will be your moderator today. I'll turn it over to him for some opening remarks.

Eric Howard: Halito, which in the Choctaw language is hello. And so, thank you for the introduction, Joshua, and let me say thank you to our roundtable participants, again, and our guests and those of you watching on the live stream. As Joshua stated, we were just in Oklahoma City last week for the first part of our discussion on support for Native American communities. As someone who is originally from Oklahoma and is a member of the Choctaw Tribe, I was very pleased with all the information we were able to glean from this meeting, and I look forward to this one too. So, as Director Thompson has mentioned many times, safety and soundness and equitable access to credit are not mutually exclusive. We, of course, will continue to focus on our safety and soundness mission, but we are also committed to ensuring that our regulated entities provide needed liquidity across the nation for underserved markets and populations such as tribal communities and communities of color. We welcome bold ideas of which may require legislative action to implement, but we also welcome recommendations that can be implemented in the near term. The Federal Home Loan Bank system has been a critical source of liquidity since its inception 90 years ago. This is especially true during times of market stress, and particularly for smaller members that often haven't had access to other sources of funding. Even with that being true, we would like to explore where and how the Federal Home Loan Banks can expand their scope and their thinking to be creative and to think more broadly about how the Federal Home Loan Banks may help with affordability

concerns that are being felt in all communities today. So, we hope to extend the reach too. That is, of course, a big part of our initiative to extend the reach to those that may not be familiar or as familiar with the Federal Home Loan Bank system. We look forward to the discussion today and the feedback we will receive as we continue this initiative. And with that, let me say thank you to the roundtable participants again, and I'm gonna turn it back over to Joshua as we review the guidelines for our discussion today.

Joshua Stallings:

Yeah, who knew you were here just to hear us go back and forth. No, I'm just kidding. So, thanks, Eric. So, we are expecting and hope that we will have an open and engaging discussion today, and no recommendations or views should be considered off the table. And we encourage you to offer differing views about some important questions that we will be covering this afternoon. We also do want the conversation to be orderly. So, as I talked to you about earlier, if you would like to comment on previous commenter's comment, let me say comment one more time, you just turn your placard to the side, and it'll signal to us that you would like to participate in that part of the conversation. Also, please do remember that the microphones are push to talk. So, when you go to talk, please push it on. When you're done, please push it to turn it off. And also, to ensure that everyone has a turn to speak, if someone is going long, Eric may step in to move the conversation forward. We will have a break roughly halfway through today's event. And also let me go through a disclaimer that I have to read verbatim. And if for anyone that has worked with your lawyers, you know why I have to do this. So, we have organized this roundtable to obtain your input on the mission of the Federal Home Loan Banks, including input on several specific questions that were sent to you prior to the meeting. During today's session, FHFA will not discuss the status or timing of any potential rulemaking. If FHFA does decide to engage in a rule making on any matters discussed today, this meeting would not take the place of a public comment process. The rule making document would establish the public comment process and you would need to submit your comments, if any, in accordance with the submission instructions in that document. FHFA may summarize the feedback gathered at today's session in a future rule making document, if we determine that a summary would be useful to explain the base of a rule making. Anything said in this meeting, and that also includes reactions, nodding, eyerolling, should not be construed as binding on or final decision by the director of FHFA or FHFA staff. Any questions we may have, are focused on understanding your views and do not indicate a policy or legal position. Participants in today's roundtable may have of financial interest, whether direct or indirect, on outcomes that may affect the Federal Home Loan Banks and their businesses. Today's roundtable will be live streamed on FHFA's website and video recorded. FHFA may also prepare a transcript of today's session, which would include the names of all speakers and the organizations they represent, if any. The recording and any transcript prepared will be posted on FHFA's website and YouTube channel along with any materials being presented today or otherwise submitted in conjunction with the roundtable.

Eric Howard: Okay, thanks, Joshua. And as Joshua said, this review is meant to uncover earnest thinking of Federal Home Loan Bank stakeholders and highlight areas for further consideration. So, we ask that you give us your best thinking and your best suggestions. So, for the benefit of those on the livestream, the roundtable participants have been given a set of questions or prompts that we will refer to during the course of this afternoon's discussion. And we, Joshua, and I, have had a chance to meet all of the roundtable participants prior to this beginning, but for the benefit of those who are watching, let's begin with some introductions. And what I'm gonna do is ask that you introduce yourselves, state your affiliation with the Federal Home Loan Bank, that being your current capacity or former capacity. And to begin, let's start with you, Jeff, and we'll work our way around clockwise.

Jeff Tickle: All right. Thank you, Eric, and Josh, for having us here today. My name is Jeff Tickle. I'm the general manager at Cook Inlet Lending Center in Anchorage, Alaska. And we are a member of Federal Home Loan Bank of Des Moines, formerly known as Federal Bank, Federal Home Loan Bank of Seattle. And our experience in being a member at Federal Home Loan Bank of Des Moines is administering the down payment assistance products, specifically the Home Start and the Native American Housing Initiative grants. Thank you.

Robin P Danner: Hello (speaking in foreign language), My name is Robin Puanani Danner. I represent the interest of a coalition of 42 Hawaiian homeland self-governing organizations in the State of Hawaii. My affiliation with the Federal Home Loan Bank is as a two-time chair of the Affordable Housing Council. One, two terms representing the State of Alaska when I served as a Tribal Housing Authority executive director, and one time serving the State of Hawaii, representing the interest of Native Hawaiians and our tribal lands there.

Rollin Wood: Rollin Wood, executive director of Native Partnership for Housing. We're located in Gallup, New Mexico. Our service area has Arizona, New Mexico, and Utah. And for the most part, we are working on the Navajo Nation, but we work with all Native Americans within our service area. And as long as we achieve at least 60% on that area, we work with Native Americans beyond those boundaries. At this time, we have no relationship with the Federal Home Loan Bank.

Fern Orie: (speaking in foreign language) Good afternoon, Fern Orie. I'm of the Oneida Nation in Wisconsin. My current role is with the Oweesta corporation, national Native CDFI intermediary. Prior to that, recently I was the founding CEO of the Wisconsin Native Loan Fund at Native statewide CDFI in Wisconsin. And that relationship there with the FHLB of Chicago and with Minneapolis Fed as well, doing some programmatic work on capacity building levels through programs offered through those agencies. Thank you.

Mellor Willie: Good afternoon. (speaking in foreign language) My name is Mellor Willie, I'm the director of Native Partnerships for NeighborWorks America. NeighborWorks for America is a nonprofit that was created by Congress. We work together with several GSCs, including the Federal Home Loan Bank, to see how we can help to

expand services to our network, which we have 250 affiliated networks throughout United States as well as to other communities, including tribal communities and that's the purpose of my position. I'd like to first acknowledge that we are on the land of the Nacotchtank and Anacosta people, who are modern day of the Piscataway and Pamunkey tribes. And I thank them for having us here. Also thank you Joshua and Eric for having us here to provide comments that are much needed for Indian country. Thank you. Also echo the gratitude for this opportunity to be here with you today. And thank you Mel, for the land acknowledgement. Appreciate that.

Tonya Plummer: I'm Tonya Plummer. I'm an enrolled tribal member with the Sisseton Wahpeton Oyate, probably not very close enough. As I've not been a member of the Federal Home Loan Bank, as a Native CDFI director, I worked with my tribe to build the ecosystem of support and infrastructure for housing development and finance so that we could have a resilient tribal economy before stepping into my current role as National Director of Native Housing Programs with Enterprise Community Partners. And that really is the role where we'd be interested in improving resources of Federal Home Loan Bank for tribes to revive their own economies within all of the players that build into that ecosystem of support. So, thank you.

Dave Castillo: Good afternoon. Dave Castillo, serve as the CEO for Native Community Capital. We're a certified Native community development financial institution. We're headquartered in Laguna Pueblo in New Mexico with offices in Arizona as well. We don't have a formal relationship with FHLB, but we serve 44 tribes across Arizona and New Mexico, which spans two different, both the San Francisco and the Dallas Federal Home Loan Bank. And we have been active in the early part of our organization's history with HP Grants to support affordable housing development for urban Indians in our service territory. And looking forward to the conversation. Thank you.

Eric Howard: Okay, thank you. Thank you to all of you for your introductions. So, let's begin. The first thing we wanna talk about is the current challenges facing Native American communities. And as we can tell from your introductions, we have people at the table today who touch the housing and community development space for Native American communities from different angles. And so, I think it's good that we start by setting a foundation. So, Mel, I'm gonna toss the first question to you, and that would be, what are the important housing issues you see that are specific to Native American communities?

Mellor Willie: Thank you, Eric. Just wanna begin with by saying that my comments are informed by my direct experience before and while working with NeighborWorks, the nonprofit organizations that make up the NeighborWorks network, our NWOs and our partners working or near tribal lands. Foremost at the Center of Housing and a center of relationships with tribes is the trust relationship. And that trust relationship has a trust responsibility by the federal government to tribal people. And when there's any actions that are taking that change and impact tribal

communities, the consultation and coordination with tribal communities should take place. In addition, as the federal government has evolved and its federal housing programs have evolved, there's been new programs that have been developed. And oftentimes during those new programs that have been developed, not always was tribal consultation taking place. And so, especially when it comes to other agencies beyond HUD, where we primarily have a relationship through the Native American Housing Assistance and Self-Determination Act, which was an act that passed in Congress in 1996, which created the Indian Housing Block Grant Program. Beyond that, there's other federal housing programs that impact tribal communities, and it's important for that trust responsibility to be upheld. So, I thank you today for taking the time to have some consultation with us, but I only provide views from my own view and from the views of me working with Indian country. There's other, there's 574 tribes across the United States with unique needs, unique land spaces, and they have different locations. And I think they also need to be heard, and my comments don't include all of them, but they include my experience working with them. Second and foremost is the access to capital. In my comments that I provided to you, my written comments, I outlined the importance need for allowing for Native CDFIs to become member financial institutions. And finding a way to streamline that process, whether it's providing capacity building or looking at revisiting your regulations to see if there's ways that we can include more Native CDFIs. In addition to that, the way your system is set up through the Federal Home Loan Bank system is that we have to go through your federal member financial institutions. And there's no banks in a lot of these trust land areas. Navajo has, what, five banks rolling, five bank branches, but they don't provide home mortgages through those bank branches. And so how are we supposed to extend the Federal Home Loan Bank programs and opportunities if we don't have banks, financial institutions? So, a lot of people that are here today are part of the Native CDFI network, and they're definitely an outlet for being able to create some unique partnerships, which will help to bring added capital to travel communities. In addition, there's a huge need for education across the federal government and especially within the Federal Housing Finance Agency, the Federal Home Loan Bank, your other GSCs, it should be a requirement, and I think that with recent work with the Biden administration, it is gonna become a requirement to include to become some education to federal employees to make sure that they understand the trust relationship. That when actions are taking the impact tribes, they need to consult with tribes. In addition, your financial member institutions also need to have that same education. So, whether there's a requirement when they become a financial member of your Federal Home Loan Bank, they become, they get educated, you know, on the relationship and tribal lending and trust lands. In addition, my final comment is around aligning the regulations for all of your programming so that it aligns with current housing programs. Tribes have to work with HUD, Housing and Urban Development, they have to work with the Department of Interior, they have to work with USDA, they

have to work with the Council for Environmental Equality, the EPA, IHS for sanitation facilities... All of those federal agencies have regulations. And we've been successful in being able to do housing development given all of the regulations. But when we have regulations that are passed by the Federal Home Loan Bank that don't align with what we work and how we do housing development, then it's another set of regulations. And tribal housing programs and those who do housing development on tribal lands are already strapped for money. They're already strapped in. So, making sure that any kind of regulations, and that's why consultation is important, that they align with the other regulations that exist for housing development. So, I don't wanna take up the rest of the time, but I'm sure my other colleagues here on the roundtable have some other ideas.

Eric Howard:

Thank you, Mel. Dave, I saw that you turned your name card.

Dave Castillo:

Yeah. Thank you. And just for clarification, for clarity on our discussion today, we understand that you are the FHFA, the regulator of the Federal Home Loan Bank system. And that role is critical. The question was, you know, what are the needs of tribes, essentially, in this space? And I think it really comes down to inclusion, right? Inclusion isn't just having a Native staffer. It's not just putting more resources into tribal communities. It's actively listening and collaborating with those parties. And I guess the question is, who does FHFA listen to? I was told, and you could correct me if I'm wrong, but when we did our FHFA hearing on Duty to Serve, I was told that was the first ever listening session with representatives from tribal communities. So again, the question is, and if the question is what do we need, right? We need to be included in the conversation. I applaud you for having that first session, I thought it was fantastic, applaud you for this one and the one you had in Oklahoma City, but the question goes back to if what we need, and the answer is to be listened to. Who does FHFA listen to? Well, you're listening to those you regulate, the banks. I mentioned previously in another conversation that I made a comment to President Daley from the 12th District on the Federal Reserve Bank side, and we were talking about the proposed new CRA regulations, and she mentioned that they had received over 600 comments on those proposed regs. And my comment to her was, you know, President Daley, there're 4,000 banks in the United States, don't be surprised if 595 of those comments come from those 4,000 banks and maybe barely five come from organizations like ours. So, I think what we need in addition to inclusion and the listening, maybe we need some kind of weighted comment consideration when you get comment, when you include us and you listen to us on the needs of tribes, because we are not getting served. In one of the communities that one of our partners works in, there are five banks that do not serve Native people, that actively... And for those five banks, there are 50 predatory lenders, when you include pawn shops, payday lenders, title loan lenders, chattel, you know, lenders that are based on chattel terms and they're predatory and they're extractive and they're often acting not only unethically but illegally. And yet those organizations,

those businesses are legally sanctioned businesses. They're a lender of last resort. And there are too few of us trying to counter their and temper their appetite. So, we need you to listen, but you're a regulator. So, we also need enforcement action, particularly when these bad actors and even groups like Fannie Mae, I submitted comments on the proposed regs there, and I talk about modern redlining. We need enforcement action. If the banks are not gonna do what they should and what they need, and especially if they're gonna act illegally, or if they're continuing to perpetuate things like modern redlining, we need enforcement action as well.

Eric Howard: Thank you, Dave. So, excuse me, Rollin.

Rollin Wood: Everything that Mel and David are saying is correct. The one bank that has five branches on the Navajo Nation has an equal, in fact, greater number in surrounding communities. And I would say that the vast majority of the people making deposits are Navajo. Certainly, in Navajo and other Natives, even with CRA, that bank does not place any funds back into Navajo. They make up their credits elsewhere. And that's a travesty because they, just the payroll, every payroll with the Navajo Nation is \$7 million that are deposited in, more than likely, that bank. The predatory lenders, 90%, anywhere from 90% to 400% interest. And you know, David is making a concerted effort to make sure that his nonprofit is offsetting and pulling people out of those predatory loans. We've been doing that. Between the two of us, there still isn't enough money to meet the needs of the community and extract these people from predatory lenders. They're ending up living in overcrowded conditions, several members of a family in a small trailer. We've helped them. We've got them out of the situation in their tears and joy. We need to do something to work together to make sure that that does not continue.

Eric Howard: Thank you. Robin.

Robin P Danner: On the other end of the spectrum, we've heard from tribal communities that have barely any banks. My trust lands are tribal lands, 203,000 acres on six different islands, four different counties in the State of Hawaii. We have banks all around us, yet the same issues are the same. And I would say to you as a regulator, I think we need the Federal Home Loan Bank, we have a very mature, one of the best financial systems on the planet, yet we have a financial industry, Federal Home Loan Bank members that are all around my people, that are completely not knowledgeable about the Federal Trust relationship that's as old as the country, right? I think I've watched CRA first as a banker of a bank that was a member of the former Federal Home Loan Bank of Seattle, and now Federal Home Loan Bank of Des Moines. I mean Hawaii and Alaska are in the Federal Home Loan Bank of Des Moines area. Did you ever think that was strange? Yeah, but my point is through every CRA discussion version, whether I was a financial institution executive, a member of the Federal Home Loan Bank, or the last 25, 30 years as a housing authority executive, a CDFI, Hawaiian Lending and Investments is a

CDFI. What I find is that it's constantly, well, Native Americans, indigenous people need capacity building. They need capacity building to fully engage in American financial institutions. But really the truth is, and no one ever wants to say it very directly, it's our financial institutions that need capacity building, they need our training, our technical assistance to the first Americans that have been here for 15,000 years. Yet organizations continue to, we are invisible to our best part of capitalism, you cannot have capitalism without arteries, it's like arteries flowing blood, but they keep going all around our communities, our tribal areas. So, I'd like to say I think that we're going at, we've been going at this wrong and that we should, as a financial industry, maybe take a little more responsibility and humility about the fact that the Federal Home Loan Bank member banks know way too little about the federal obligation, the promise we made to American Indians, Alaska Natives, and Native Hawaiians, the three indigenous populations that predate our great country, that our financial institutions know too little. And so, I think that's where we need to place... I agree with Mel, that if we could invest capacity building in the banks, in the federal home loan members, because the way the federal home loan system is set up, it is the members that stands between that capital and community. And if that member base is not knowledgeable or is afraid, doesn't know enough, and is afraid to make investments or do partnerships, as I told you, our trust lands are surrounded by brick-and-mortar financial institutions. But the redlining, unintentional as it may be, still exist. And I believe it's because our financial institutions, the Federal Home Loan Banks themselves, but their members need technical assistance and training from us to them about the First Americans, about our dual citizenship in the country. So, thank you.

Eric Howard:

Thank you. Tonya, I think you were next.

Tonya Plummer:

Just a short and simple comment, kind of dovetails on all of your comments, but I just wanna make sure that we're very, very clear about it in the same way that communication, effective communication hasn't existed until the person hearing the message receives the message and can do something about it, resources that are put out there and said that therefore Indian country are not effective unless they're attainable, unless they're accessible. And so, we cannot say that we're serving until those resources can be brought in. And the question is not, and maybe this is unfair because we'll get into it later in the discussion, but if the first question is what's the problem with Indian country? What's the problem with the tribes? It's the wrong question. And so, to Robin's point, we need to be asking what's our problem as well? As long as we focus on what's the problem with Indian country and accessing our resources, we've already set the conversation off on the wrong tenor. We need to give props to the tribes who have been resilient and are strong, who've developed strong structures. And these products are just not working in these communities for a number of reasons. So, USDA has begun a process of communicating really assertively and consistently with tribes and with Native partners. And I just wanna acknowledge that action from the

federal level and what they're doing with tribes, breaking it down on a regional basis, and I would encourage that type of action going forward for Federal Home Loan Bank.

Eric Howard: Thank you, Tonya, we appreciate that perspective and hopefully through this discussion we will, it will evolve, and we can address all of those very important perspectives. Okay? So, Jeff, I think you had your name tag turned.

Jeff Tickle: Yeah, thank you Eric. I just wanna reemphasize Robin's point around education for the member Banks of Federal Home Loan Bank system. And I'll give you a specific example. Cook Inlet Lending Center, as I mentioned, is a member who administers the Homestart, and the NAHI Grant programs within our Anchorage, Matsu and Kenai borough footprint. And we experience member banks directly sending us referrals in which they have capacity and funding to administer their grant programs, but they don't have the education to administer specifically the NAHI grant program. When they get clients who are obtaining a mortgage at their financial institution and are eligible for that NAHI grant program, they will end up asking Cook Inlet Lending Center to administer that grant program. That's great because we get to deploy those funds, but we do not receive any capacity funding operating money to administer that grant program. So, it puts a stressor on us, although we do it because that's our mission. I just wanted to reemphasize that point on educating those member banks so that they can do what they signed up to do as a member, being able to administer that program.

Eric Howard: Thank you, Jeff. So, Dave, I think you had a comment.

Dave Castillo: So, on the education point, I wanna acknowledge that there's a real validity there, but someone said something earlier this week about the clients that we serve, right? It's not that they need financial education, it's not like they don't know that if they manage their resources a little bit better, they would do better. There's something that's preventing them from being financially healthy. Likewise, on the bank side, we can educate them, but it's not like they don't know that they're not serving us. It's there's something that's making them reluctant to serve us. And so, I think what we need is kind of a carrot and stick approach, right? The stick comes from, follow the law. HRA has a provision in it that to a certain extent requires the Federal Home Loan Bank system to offer membership to CDFIs. That was 2008. Where are we at with that, particularly with Native CDFIs? So again, as a regulator, maybe the stick, but on the carrot side, because, you know, you only go so much after if you beat someone over the head. I think leadership comes into this, right? If you incentivize people to do the right thing, they will. And to Tonya's point about real development, you can see it, you can hear it, you can feel kind of the commitment that they put forward. And I'm not sure exactly why that is. Maybe it's because USDA Rural Development serves rural America. Maybe there's more of an affinity with Indian country. And so maybe more of a natural kind of connection there. But it's been fantastic. There's been real leadership there and we're seeing real results. But the gap between the banking community

and Indian country is, yeah, miles, miles wide. So, I think that the enforcement actions, the stick is important, but so too I think is the carrot and the need for leadership. And I'm not sure how we develop that exactly, but I've got some ideas and I'll share those later. Thanks.

Eric Howard: Great, thank you, Dave. So, Tonya.

Tonya Plummer: You just mentioned how many or how few Native institutions are part of the Federal Home Loan Bank. And so, I just wanted to clarify. We did a little bit of research. Only, Native institutions make up 0.15% of Federal Home Loan Bank members. There are 9.7 million people identifying as American Indian or Alaskan Native, Native Hawaiian. But there are fewer Native-focused financial institutions nationwide than there are Federal Home Loan Bank member institutions based in West Des Moines, IA, whose population is just under 70,000.

Eric Howard: So just to move on a little bit. Oh no, I'm sorry, Robin. You had your... That's okay, go ahead. I missed it.

Robin P Danner: I agree with Dave. They know they're not serving us, and capitalism sets it up with that right? Water's gonna flow where it flows. That was not my point at all. I think it's time after almost 300 years as the greatest democracy on the planet, I think it's time that we all understand, and especially I think FHFA as the regulator, the trust obligation in our United States Constitution is for the entirety of the federal government, including you, including the Federal Home Loan Banks. It's not, oh, Department of Interior's problem, or it's not HUD Office of Native Americans problem. It is the entirety of our federal government. And what I'm trying to express is that it's time. It's time that the financial power of our government, of our economy, of our country embrace this obligation and be able to speak it, at least at the Federal Home Loan Banks. I don't have as great an expectation of the Federal Home Loan Bank members. They have a mission; they've got shareholders and whatnot. But the Federal Home Loan Bank is part of us is part of the federal government. And at least at that level, we need to launch dedicated, concentrated, repeat, repeat, repeat, repeat year after year training of the staff, the leadership, the board members of these Federal Home Loan Banks about the federal trust obligation to our three indigenous peoples. That's really what I'm saying. It's such a low hanging fruit. And we've waited, right? We've waited. And so, I wanna make sure that my point is taken that as the regulator, you can make that happen. And it doesn't cost a dime. And I'll just repeat it again. The obligation in our US constitution is the entirety of our federal government. And I would love nothing more than this FHFA to embrace that and take it to the winds, take it to the hills, take it to every Federal Home Loan Bank that this is our expectation, we are a federal, part of the federal system. And so, we are going to Malam that kuleana, we're gonna embrace it. So, thank you.

Eric Howard: Thank you. So, Rollin, and then we're going to...

Rollin Wood: Real quick comment. I think it's gonna require a mandate, that a certain percentage is set aside, otherwise what's been happening, especially if it's a CRA, extracting money, predatory, making up the credits elsewhere, and the community that they're extracting money out of is not served. There's no service whatsoever. There's not a single loan by that one banking firm that is ever, they've never placed any money back on the nomination. And that's a travesty.

Eric Howard: Okay. Thank you, Rollin.

Eric Howard: Okay, so... I like this. Great, great. At our tribal meetings, we're gonna start doing this. Great. So, we've heard a number of comments in past sessions that we've had, and a number of you provided comments on land issues. And so, we've heard that, a number of comments, like I said, on collateral ownership and the challenges that are associated with these issues. And so, Tonya, I wanna start with you, the comments you submitted prior to the roundtable discussion focused on the needs of tribes that are hoping to develop on trust land. And I was wondering or hoping you could elaborate on your comments and the unique challenges that are associated with housing and community economic development on trust land.

Tonya Plummer: On that land that was taken from Native Americans. And so, I'm two generations away from the federal government wanting to get rid of Native Americans. My dad was born at a time when that was the policy. I'm the first homeowner in my family. I couldn't do it on trust land. He built his home on trust land a little bit at a time, paying for it by credit cards and went three years without water before he could bring water there. So, it's a challenge to build on trust land. And I've come from a community where we've tried very hard to do that. When we signed our treaties with the federal government, we received healthcare and education and a little bit of land and not very good land, held in trust with the federal government. That means we cannot tax those lands to support our programs the way cities and states can do. And it also means we cannot collateralize those lands in the way others in dominant society can on fee simple land, we can hold the leasehold interest in that land, but not the land itself. And so, this week one of our partners had said, we're just shouting for the mountaintops. Like the land is the same, it's the same here as it is right on the other side of these reservation borders. And yet there's, the equity in that land does not exist the way that it does right next door, one of our partners in South Dakota was working on trying to provide financing, I believe it was for a buffalo herd, and had the hardest time because the collateral is not there in the land within those reservation boundaries. So, when tribes and Native people on trust land wanted to come to the table to develop, they're not able to discuss the same equity position as those in dominant society, on fee simple land. It's an entirely different discussion. So, there's just an inequity right off of the bat. There are a number of barriers there, and that's more in getting into the weed's discussion. Like how do we work with Bureau of Indian Affairs? How do we expedite a TSR, a certified TSR? How do we make use of the fact there are some solutions there as well? But that should not

be the focus that American Indians are given a little bit of land to work in, and that should not be a barrier for them to develop their economies and develop home ownership.

Eric Howard: Thank you, Tonya. Robin, did you have a comment?

Robin P Danner: Well, I don't, I wouldn't want bankers to take away from, and I know that's not what Tonya means, but I would not want it to be, the takeaway to be that our trust lands, whether they're held in trust under the allotment acts or whether they're leasehold, long-term leasehold, sometimes 99 years. I would not want any banker to take away, for the takeaway to be that that is not acceptable collateral. It is. We have suffered the chilling effect of lenders coming around and using the excuse, oh, that's Indian land, I can't make a loan there. Completely false. So, I would not want to perpetuate that. But what I will say, and I think the more relevant solution, challenge, is that there is redlining going on by banks, whether it's intentional or not, it's happening, and it's, the issues being discussed here are not because you can't collateralize on our land. You absolutely can. But what we need is regulators who are searching for the red redlining that's going on, like making, for Hawaiians, for Native Hawaiians, out of the blue some bureaucrat says Hawaiians, Native Hawaiians are the only citizens on the planet that do not have access to fair market value appraisals. You, Hawaiians, are limited only to replacement cost appraisals, which is typically used for areas, forgive me, Wyoming, that have vast, you know, there's barely any comparable home sales, right? Sparsely home sales. So, what that does is it devalues our transactions or our business transactions, it devalues. We have an FHA that literally says, for the rest of the country you can have 85% loan to value on an FHA mortgage. Hawaiians, if you use an FHA mortgage, you're limited to 75% loan to value. That's redlining. So, I really think the issue that we need to start to peel away and search for it, search for it is the ways by which our lending, our loan products that can be collateralized by Indian land and by Hawaiian homelands, can be collateralized by that, but look for the ways that it's being depressed, and blood flow is not being, is coming through a garden hose versus a fire hydrant like the rest of the country. So, I just wanted to follow up with, hope that's okay, Tonya.

Eric Howard: Thank you, Robin. So, I see there's a couple of name tags, but before I get to you, I'm going to ask Fern Orie a question. So, Fern, and this is gonna expand the conversation, I believe, so in your written comments, you suggest that financial institutions should be encouraged to provide financing on trust lands. And so, I was hoping you could explain a little bit more about what you envision with this comment.

Fern Orie: Absolutely. Well, definitely all the points by my colleagues... I concur 100%. And doing lending on trust land with a Native CDFI in Wisconsin, and also working with our tribe's owned bank in Wisconsin as well... We're the magic of our own people, right? We know what we need, we know what our lands are all about and how to navigate the lack of infrastructure coming in through different agencies and

programs, et cetera. So, I appreciate the conversation, I appreciate inviting us. I feel like this is a grand start to what we need. And I see the disconnect all the time, as we all have. So, trust land issues, we laugh at home because we say, if anybody wants to do lending on any type of land, trust land is the land that should be on the top of the list, right? We're not going anywhere. We're literally not going anywhere. Not even the families are going anywhere. A person gets a piece of land, a residential lease from their tribe, that's gonna stay in the family for generation after generation. So, having all of these banks and acts and regulations, CRA itself understand that and translate that to the work we're all trying to do here, right? You have Native American financial institutions, you have Native CDFIs, you have Native owned banks, credit unions, let's have consultations and talk about these things and find those inroads to make it easy, right? And that's, I think I had some gibberish in there about make it administratively accessible a lot of times, no matter what agency it is, all these regs are written, great intention, lots of discussion, but in the end, it negates the intent of the program itself because it's not accessible. There's gonna be some sort of weird guideline or eligibility requirement that the end user doesn't qualify all of a sudden, or there's so much bureaucracy in those processes that it turns out to be, well, it's accessed to vote 10% of our people depending on the program. So, this trust land issue I think needs to be discussed, educated amongst every layer, and accessible where it's this like stigma is gone, right? Finally, we release the stigma, right? You build in CRA mandates not only to have all these different ways that banks can qualify and fulfill those requirements but have like actual set asides built right in there. You have to invest 10% of your whatever into CDFIs and maybe there's bonus multiplier points if it's a Native CDFI or serving these underserved areas, all this redlining, we're in almost 2023 of this great nation. This should not even be a discussion at this point. So, I applaud all of your efforts to derail all of these things that have been creating these barriers all these years. We're at a place in time right now in this country that we're having these conversations. You know, this duty to serve, those are other topics too, but we have all of these opportunities to like harness from your end and our end like to join all of that. So, I wanna see that happen. I wanna see trust land is the optimal place to do lending. No matter who you are. But I also wanna see the Native financial institutions across this country utilized because we're the ones in the communities on the ground knowing what our people need, knowing what it takes to get them in these homes... And not only that, there's a whole 'nother conversation about development that we will touch, but that's all of these pieces come together, and you help us, and we help you, right? It's symbiotic, we need each other. So, thank you.

Eric Howard: Thank you, Fern. I had so many follow up questions for you and you hit all of them, so we can move on. So, Rollin, go ahead.

Rollin Wood: Native Partnership for Housing, I'm pleased to say that the loans that we've helped facilitate, and unfortunately, we have not been able to carry minimum

books because we don't have the capital to do that. But since inception of our entity, we have facilitated well over 70 million in loans, 50% plus been on trust land. We can work with obviously the HUD, 184 loan, and our partner banks, the 502 direct loans, the USDA RD, big challenge with the 184 programs, especially now with the high inflation rates and the cost of materials. It's regulated on a county-by-county basis. And the numbers are far below what a cost to construct a home, a quality home in today's market. So, we do need to have some changes in terms of the restrictions on a county-by-county basis for the 184 loans.

Eric Howard:

Thank you. So, Robin, in your comments, you commented on the need for multi-family rental housing for Native Americans and tribal communities on or near trust lands. I was hoping you could maybe expand on that just a little bit.

Robin P Danner:

Well, since the topic was Federal Home Loan Banks, I mean, what a powerful structure to help our tribal communities, our Native-governed, Native-led nonprofits, whether it's an Indian housing authority, a CDC, or whether it's a Native CDFI to leverage Federal Home Loan Bank member capital for us to acquire multi-family apartments on fee land for the purpose of what everybody would want, preservation of affordability. Our CDC, we have a CDFI and a CDC, just did that this year, we're in a very high-cost state where we saw that mainland investors were looking at, during a pandemic looking to pick up properties in order to flip them into high market rate. And so, we started to get into the, engage in acquiring them before they could be done, taking ownership of that, and providing housing for the entire community. So, I just feel like the Federal Home Loan Bank, if the banks and their members, if they had a system of being that conduit of capital, equity capital for the initial equity, we financed with a commercial bank, a Federal Home Loan Bank member. And what we needed was the front-end equity that's going to pay dividends for generations and generations and generations. So that was my comment that we have our down payment assistance, we have our home ownership, but what I'd like to see, especially for Native-led and Native-governed organizations, tapping into the capital system, because we're not going anywhere. I mean, I love Fern's comments because I wanna say to the Federal Home Loan Bank members, they just don't know it. We are like a slam dunk. We are the best investment in the country. We're not going anywhere. If the economy goes down, we're staying, he's staying on Navajo, I'm staying on Hawaiian homelands, Fern is staying in Wisconsin. And so, we are a great investment. We're like the last frontier of investment, that investment capital hasn't come. And I just, on multi-family home ownership will always be front and center, always, but multi-family, on or off trust lands... I feel like there's a whole body of solutions that could not just benefit our own families, our own tribal members, but the surrounding communities around us.

Eric Howard:

Thank you, Robin. So really appreciate, we've talked quite a bit about some very important issues, education, commitment, trust, understanding. One of very important thing we're here to discuss is the role of the Federal Home Loan Banks

and we can like fit all of that in. So, if we could maybe move on just a little bit to focus in on that with all of those things we've just talked about factored in. So, like we said, we're really interested in bold ideas and specific recommendations that can be implemented hopefully in the near term. But what role does the Federal Home Loan Bank system currently play in supporting Native American communities, whether on tribal land or off tribal land? And so, Fern, I'm gonna pass that one to you.

Fern Orie:

Thanks, Eric. First and foremost, the CICD, Center for Indian Country Development, definitely a huge asset and wonderful data and research and that's fantastic that the Federal Home Loan Bank of Minneapolis has that system built in there. I don't know if that's like a little blanket answer to Indian country just to placate... We have something going on. You know, it's CICD, it's a start. It's wonderful. It's a foundation that we're all tapped into, and we just even did a project with them to research Native CDFIs and a lot of challenges and barriers. So, I applaud that. But I also see like, just very quick anecdotal example. I ran a CDFI in Wisconsin. We had 18 CDFIs at the time. Four of them were Native. And Federal Home Loan Bank had a huge \$50 million initiative going on, that I had heard, not even directly from FHLB or anything like that, but I was calling around trying to find out how do we get in on this, right? We're a CDFI in Wisconsin. I heard the money was geared, you had to be a CDFI in two states to qualify. So, when I called the FHLB, they had said, oh well we contacted everybody in Wisconsin and this other state. And I said, don't, we're a CDFI in Wisconsin. I'm the CEO, I've never heard from you, nor has my staff. And we talked... The great piece is though that we developed that relationship. But like those are just examples of that disconnect, right? And I know that tries to get fixed, but if it's happening in one place, it's definitely magnified all over the country. Especially these very rural, very underserved areas that I can't imagine, you know, Alaska and Hawaii, their FHLB is in Des Moines, and I know that's the design of things, but it's just blatant stuff right there that shows there's a disconnect. Even location wise. How are they even gonna understand that unless there's this partnership. But ultimately those programs, sometimes you have to go through a member. And so, I know that's not part of the question, but if there's a way that we can add that in where CDFIs can become members, different than the bank, but a different membership level. But that would be a start and a way that we could address some of these things where there is a disconnect. Thanks.

Eric Howard:

Thank you, Fern. Mel.

Mellor Willie:

Sure. NeighborWorks has done a housing and financial capability survey and from that survey we were able to oversample and show some really great statistics. One of the things is that 51% of Native Americans are looking for a new place to live, as opposed to 36% nationwide. So, there's a huge market that's out there looking for a place to live. However, in that same survey, it notes that 80% of non-owner of houses don't think banks or credit unions will approve them for a mortgage. So let that sit there. 80% of the Native American people across the

United States don't think that they can get approved for a mortgage or loan. But 66% say they want guidance on increasing credit. So, we are working actively, Fern, Robin, Rollin, Jeff, Tonya, and Dave here. We're working actively to make mortgage ready buyers. And we need the banking institutions of financial institutions to meet us halfway cause there is a market that are there and we're ready to play together. These are, at this table are some of the greatest collaborators you will ever meet in Indian country. And there's other folks out there. So, it's not like we're sitting out there saying, these are all the challenges, we cry about the challenges and things. We're actually doing great work. Over here at Cook Inlet, there're amazing programs. You go out there and you see how they're extending housing opportunities in Alaska and some of the toughest frontier across the United States. But we need that additional collaboration from the banks and they're not there. Thank you.

Eric Howard:

Thank you, Mel. Robin.

Robin P Danner:

Your question was what... In serving Native American communities. What role... We need the Federal Home Loan Bank system and the framework. My answer is, too little. It's not playing, it's not even, all pistons are not firing on this amazing system, Federal Home Loan Bank, to be able to be serving Native communities. Part of the reason, and with, truly with humility and as a former banker, the role that the Federal Home Loan Bank plays is you've placed member banks between us and the capital to build that home, et cetera. So that can be overcome. We don't have time to wait for member banks that... We need them to be successful. Our whole country, our economy needs them to be successful. And so, they're gonna do what they're gonna do. So, I would suggest that the role that the Federal Home Loan Banks could play in addition, not replace that, but in addition is to have a more direct relationship with Native CDFIs, with Native American banks, with Native led organizations. Because I promise you, we're not going to redline grandma. We're not going to, and we will learn, we know our trust land tenants like the back of our hand. We will make capital flow with proper collateralization based on those systems. So, I wanted to your question really directly, what role? It has a role, but it has an additional role. The role that it has been playing, which is to place your member banks between community, where crisis, we're at housing crisis levels. I don't want to badger the home loan bank members. I'd like us to think regulatorily outside the box of how do we keep that system in place while creating another stream, another stream of capital that gets capital through the Federal Home Loan Bank system to Dave Castillo, to Fern, to all of us. I think it would be efficient and I'm going to say it again, wildly successful. We are the last frontier. We're a great investment for the Federal Home Loan Bank, for their member banks, but without that... I mean, for example, I would like to see the Federal Home Loan Bank add a Native American Advisory Council in addition to the Affordable Housing Council and populate that Native American Advisory Council with national Native intermediaries that are 40, 50 years old. Native American Indian Housing Council, 40, 45 years old, NCAI, NCN. I think that would

be a such a low hanging fruit that would bear great dividends for the Federal Home Loan Bank system and for community. So, thank you.

Eric Howard: Thank you, Robin. Jeff?

Jeff Tickle: Yeah, you asked the question, what role should Federal Home Loan Bank system play for Native CDFIs? And what comes top of mind for me is understanding non-traditional lending, and in different facets. And I say that because the role is providing liquidity and understanding non-traditional lending. When I first joined Cook Inlet Lending Centers' Native CDFI, they were working on a two-year project to collateralize some of our second mortgages to provide us some well needed liquidity in order to revolve more down payment assistance loans out the door, rather than asking for more equity, right, to fund those loans. And the challenge was the collateral requirements from Federal Home Loan Bank. And I can't imagine what the collateral requirements rates are for Fannie and Freddy, must be similar to Federal Home Loan Bank system in order for us to be able to access more liquidity for that product. So, a reconsideration in collateral requirements for products that are on our portfolio already that are non-traditional and performing, right? So, I think that's a very important consideration that the Federal Home Loan Bank system could take into account.

Eric Howard: Thank you, Jeff. So, we have two more comments and then we're going to take a 10-minute break. So, let's begin with you, Tonya.

Tonya Plummer: Thank you. I agree with, again, all of our colleagues here. There's so much wealth. I think in that question, what role do we play? I think also as a consistent present thought partner, if you're gonna be a partner in community, you need to know your communities and be inclusive of the communities that with, are within your footprint. And so, you cannot do that if you're not present and listening and asking questions. And on that note, I don't mean for it to sound entirely scolding, we recently had a Federal Home Loan Bank that's in the footprint of an area where we were about to advertise some training and pull together some training and they reached out and asked, we don't have relationships in that area, can you help us foster relationships in that area? And so, we said, you bet, we're gonna ask you to sponsor this training because there's been no investment there so certainly you have the financial means to do that, but we also want you to be present and so they've committed to send two individuals to that training, but those individuals can't do anything about the relationships with the partners if their member orgs aren't there also. And so, we ask them to reach out to their member orgs and make sure that they are present and building relationships with the Native people and Native organizations in that area so that they can even approach the beginnings of being a thought partner. And so, I wanna thank that Federal Home Loan Bank division for taking that step. That's something that we need to see on a more regular and consistent basis. Also, on, once you get to know the communities, then you're able to look at creative product creation and what isn't working and what could work, you know? And so just throwing out

there, can we expand AHP from 10% to 20% and have a Native set-aside for it? Can we, you know, do it that way? And then can we have additional funds set aside for some specific targeted investments that are not so scripted, not quite as regulated, but allow them to be responsive to the needs specific in those communities, understanding that tribal communities, to your point, are 574 federally recognized tribes that are sovereign, and each have varied needs. So, it might look like infrastructure, it might look like education, it could look different in different communities, you know, but we've gotta have that acknowledgement of how we can work better in those communities. We ask the question; can you require your member organizations to do a little bit more or a lot more to serve the Native communities in their footprint? And they said they really can't. So, if you cannot require it, you need to inspire it, in the same vein that the Inflation Reduction Act includes tax incentives for development in tribal communities. Can that be a potential model for inspiring investment? Do the words Native American or tribes show up at all in community lending plans? They should be. They should be there. And several times over in Federal Home Loan Bank regions that have many tribes within their footprint. Have you reconsidered the way your materials look when you reach out to those organizations? I asked for that from one and found that the material was very paternalistic and very uninviting. It was not written from a perspective of we are part of community with you. We wanna work with you and serve you. It was very much, if you can jump as high as we want you to jump, if you can look like we want you to look, maybe you can play our game. And that narrative needs to ship as well. Thank you.

Joshua Stallings: So, we're gonna take a quick break, but we're gonna come back to Dave and Rollin then. So, thank you. 10 minutes.

Eric Howard: Okay. Welcome back, everyone. So, when we started our break, we were in the middle of the discussion talking about the current role of the Federal Home Loan Bank system. And so, Dave, I think you were the next comment.

Dave Castillo: Okay, thank you. I cut my teeth doing federal Indian policy on behalf of the Inter-Tribal Council of Arizona years ago now. And the discussion that we're having before the break I think falls nicely into two ways that we used to do federal Indian policy. When we, you know, and we used to write and do the research and do the white papers and the talking points for the tribal leadership. And when we were prepping the tribal leaders for Hill visits or other activities, we would always say, you know, as an elected tribal leader, you must always engage folks on the Hill and federal agencies as representatives of tribal governments, sovereign nations, and in and a relationship in which the federal government has a federal trust responsibility, and treaties that must be obligated. All of the treaties have been broken, all of them. But that doesn't mean that as a tribal leader you demand that they observe the law of the land in those treaties. And then we also work with tribal policy or tribal program directors. And we said, your role is almost the opposite. You must act as if those treaties will never be honored, ever. And so, you need to find a way to make sure that your programs are successful. So,

with that in mind, we were having a conversation at one of the receptions this week and one of the members of the delegation from Blackfeet Nation, we were talking, because we're in the middle of negotiating investments from a number of banks and committee benefits agreements and whatnot. And it's a little bit of a slog, right? Because they're being forced to do something they clearly do not want to. Or because there's an ulterior motive. As a matter of fact, someone from one of the banks pulled me aside prior to a meeting with their CEO and he said, "Dave, you know this doesn't change anything. This is about getting the bank's name out of the gutter. There will be no new branches on tribal lands. There will be no new initiatives." And it went on. And I just thought, oh, that's right, that's right. And it was nice because he was with a bank, but he also understand what we needed. And he knew that we were going to a meeting with their executive who, it was on a different planet, quite honestly. And so, in this conversation with this individual from Blackfeet, she said, you know, cause we were talking about these negotiations. She said, "Dave, but what do we need to do to affect systems change and get them to do what we need to?" And I thought, they're not gonna change. They're not. We need to build it ourselves. They'll never do what we need them to do. Why is that? It's because, we've already talked about it here, I mean, these systems were built and are operating exactly as they're intended to, to benefit the shareholders and the bank executives and others. The stakeholders are secondary priority. So, we need to build it ourselves. I'm just gonna, the little litany, this, when I first started this work, a banker from Norwest approached me, this was right after the passage of NAHASDA. Everyone was really excited about new opportunities to invest in Indian country. This was right at the beginning and came up to me after the meeting and he said, "Dave, help me understand why would I go through the brain damage of doing the deal in Indian country when I could get what I need from OCC by serving blacks in south side Chicago or Hispanics in East L.A.? It was an honest question. The chief credit officer of, mind you, a non-profit CDFI, a non-Native, told me something similar. He said, I just did 100 million in deals for the organization and my executives trying to get me and my team to do somersaults to deploy 2 million to Indian country. I don't wanna learn the BIA loan guarantee program. I don't wanna try to understand lending in Indian country. Just let me know what I know how to do well, please, you do that. So, we've gotta build ourselves. And there's just so many comments over the years that have been made to me... Another for-profit CDFI, a non-Native CDFI said, we don't take losses, right? Said, well, then how are you any different from a regular bank, there're \$400 million CDFI, for profit CDFI? And they've said, we will never originate a loan on tribal trust lands, but we will purchase the guaranteed portion settling you with all the risk, right? So, the fact is, someone told me, one of our investors told me, one of our foundation investors said, "Dave, I know you're very conservative, I know you're very concerned about taking losses and upsetting us as an investor, but I want you to take more risk." My thought was, lady, you have no idea. We're like white knuckling it through these things all day long, but she wants us to take more risk and that's our role.

And so, I think part of it is, yes, banks should be forced to take more risk in this space because they can't afford it. And you know, they're not doing, even, they're not even compliant with the law if you think about duty to serve. But by that same token, we need to build it ourselves, we need to do it ourselves, for ourselves and for the tribes that we serve. So maybe, here's a thought, maybe kind of along the lines of these, some of the comments that were made, maybe what we need is a Federal Home Loan Bank Native CDFI membership category, right? Because if it's not flowing through the existing members, and since HRA mandates that we, the membership be open to us, maybe we need a separate category, maybe we need the set aside that we're talking about so we can do this ourselves the way that we know it needs to get done because we know Indian country is a good investment. And let's just dispel right now the notion that there isn't investable opportunities in Indian country. I mean, I get it, 25 years ago, you know, when NAHASDA was new, let's say, and we didn't have the infrastructure in place or the instruments. We do mortgages on reservations all day long. So, we've solved the problem. It's fake news, it's an alternate truth. And I think the banks have kind of just held onto that false notion that you can't lend an Indian country. It's not true. So, for the record, it's not true. We do it, all day long, but we need to do it ourselves and we need the resources and maybe we need this special Native CDFI membership category. Thanks.

Eric Howard:

Thank you, Dave. Tonya, did you have a comment? Well, that's okay cause I had a question for you. Okay? Let me come back to him. Okay, so what I was, in your comments, you talked about encouraging, the need to encourage Federal Home Loan Banks to invest in Native CDFIs. So, can you elaborate on what specifically do you envision, is this ongoing in equity investments, grants for seed capital, loan loss reserves? What did you envision with your comment?

Tonya Plummer:

All of the above. Okay. All of it. The kink in the hose is the member banks that don't understand how to work in Indian country. And so, while they're struggling with it, or not even struggling with it and just getting by in another way, in the meantime, you have Native CDFIs who are scrappy doing all of that work and white knuckling it through deals so that they can provide those services to businesses and homeowners and all of that. And so, and they're doing it to communities that struggle with achieving economies of scale and being able to have those financial conversations that you can have in Atlanta and LA and Chicago. You know, these are smaller tribal communities with a limited land base and limited resources, but the need is just as good. The community still means community in that community, and they still have needs on their terms. And so, if Native CDFIs are willing to do that and able to do that, they're not, that, right now, that membership into the Federal Home Loan Bank system is not attainable for Native CDFIs. So, a combination of Dave's suggestion or investment directly into the Native CDFIs to unkink that flow of capital that is getting stuck at the member banks but could still continue to flow to those communities through the Native CDFIs who understand it. And to Robin's point, probably could be the

beginning of that education process back to the Federal Home Loan Bank systems to understand how you engage in realistic risk assessment in unconventional lending that's based on relationship. How can we understand how you guys are doing it so that we can shift our systems and then consider some creative larger ways to partner and build these communities back?

Eric Howard: Thank you. So, Rollin, sorry. Thank you for your patience on that.

Rollin Wood: Sure, not a problem. Just to reinforce what Tonya and David and everyone else have been saying, that is actually the quality of the loans on both trust and fee land is very good. Our mortgage loan portfolio default rate is less than one half of 1%. And I think that that's really important to take note of. So, it shows you that the quality of the loans is really good. During COVID, I thought we were gonna have a significant issue with defaults. They actually were very punctual. All of our clients, very punctual. They would hand deliver their checks to our office. So, it's a misnomer to think that lending on trust or on fee land inside the boundaries of the nation as at a high risk. And this, we have loans outside too. I mean, we serve Native Americans wherever they reside, but one half of 1%. I think that's pretty remarkable.

Eric Howard: Thank you. Jeff.

Jeff Tickle: I'll keep this one quick and it really just stacks onto what everyone else is saying, invest in the organizations rather than the projects. You have track records and data of Native CDFIs over a period of time who have shown a history of being able to perform and deploy grants, grant funding. You know, I would take that into account and consider some form of, whether it be a combination debt equity type product to invest in CDFIs. We need equity. We need equity in order to operate those grant programs. Thank you.

Eric Howard: Thank you, Jeff. Mel.

Mellor Willie: Sure. I wanted to just go quickly back to your previous question about the role of the Federal Home Loan Bank. Housing does not exist in a vacuum. And so, there's other things, other, beyond housing. So, community facilities such as things as recreation centers, senior centers, business incubator sites. In fact, one of our affiliate members GROW South Dakota, they're actually sitting in the middle of a reservation. They helped finance three reservation schools and it's been successful. The tribe's been paying off us that loan and it's been doing really well. So, there is progress that's being made and working through non-profit organizations.

Eric Howard: Thanks. Rollin.

Rollin Wood: Just to add to what Jeff was talking about, we work with very meager balance sheets. So, we really need a secondary market. And if we have a default rate of less than one half of 1%, I would think that we should be very viable for a secondary market, that we could sell the loans and we could roll the money over

again and again. Right now, anything that we come up with a secondary market, we take a significant discount. And that really hurts, especially in inflationary times because we think we're gonna move ahead, we can take a discount and we'll make it up as we increase, improve our efficiencies. But inflationary times, no, we still get hit. So, if we could have a secondary market where we could sell these loans at a fair value and, you know, of course making sure that everything is following the guidelines of the banks, but they have to be willing, they have to be willing, they have to be patient and has to be fair.

Eric Howard:

Okay, thank you. So, as we're moving through our time very quickly, one of the things that I was hoping we could factor in some of your responses, we've been talking about the current role of the Federal Home Loan Banks is, what about the future role? And I think you've touched on some of those things, but I think if, like, in the time we have remaining, if we could talk about that. And so, Mel, I'm gonna come back to you because in your responses you talked about the need for CDFI's, Native CDFI's to better partner with the Federal Home Loan Banks. And so, if you could elaborate on that, what are the skills, what would it take to do that?

Mellor Willie:

Sure. I think that a lot of those, the question has been answered here before, things like standardization across all of the banks. Des Moines is doing an amazing job in the work that they're doing, but we also need to have standardization through all of the banks of their Native initiatives. We need a Native set-aside provided, we need to have, allow for, I don't wanna say capacity building, but let's revisit the rules and regulations for getting Native CDFIs to be member institutions and see how we can get more people, more organizations to be member institutions. In addition to that, we need to look at a new product that can be able to provide capital for Native CDFIs. And I think there's creative people at this table that can do that.

Eric Howard:

Fern, can I ask you that same question?

Fern Orie:

Sure. So along with all the things we've mentioned already, emphasizing the need for housing stock as well. It's one thing to have the capital to finance all these homes, but the homes also don't exist across Indian country, and Native CDFIs are already set up to provide that financing. Even some groups like Native Partnership for Housing are doing development themselves. I wanna see that replicated across Indian country. We have the systems in place, the financial institutions in place... I want programs to be designed to that end where there's financing available on the capital side for tribal members across Indian country, but that capital's coming from banks straight to the Native financial institutions for the purpose of financing those homes and essentially building those homes as well. So, to me that's one of the big pieces, the foundation of this as well.

Joshua Stallings:

So, Fern, kind of related to that, what would you say is your experience related to the availability of contractors or construction companies that can actually get this work done?

Fern Orie:

Awesome question. In fact, I think on a roundtable, or a Zoom, we talked about some of those needs. So, in Wisconsin of course that's the bulk of the experience that I've worked now with the national intermediary Oweesta and knowing Indian country, just all the work we've all done collectively and knowing the needs out there, there's not enough of that. We want Indian developers, we want Indian appraisers, Indian real estate agents, all of those structural pieces to creating homes across Indian country. So, I feel like there's a massive need not only to develop it, but also for our own people to be skilled in those sets. We're all on the ready, we're already creating those systems, Rollin's done a fantastic job with his organization already that I feel like it's all there, but we need to catalyze it by partnering and having that come down through the Federal Home Loan Bank system where there's investments directly for exactly those things. They don't get lost in... There's all this lost in translation that I've become aware more and more. So, everything's hidden by the word rural. All these initiatives, whatever agency they may be, it'll say rural and Native communities, rural and Native. Well, it stops at the word rural and the Native communities part just somehow gets thrown in. I wanna see that changed and I wanna see Natives have their own set aside for all of these initiatives along with those very specific tasks. We need long-term low-cost patient capital. All of the Native CDFI industry, a lot have started with small business lending. A lot are morphing into also including housing lending. We were housing lender from day one. My very first loan was home improvement. I had to scrape together; it was 2008 in the financial crisis. We had no capital. But housing is the big thing. If you don't have housing, you don't have workers, you don't have workforce development, your communities are suffering... We've been suffering for too many years by not having infrastructure. We have all these pieces to work with. So, I wanna see that put together. We have people at the table that are the players. We know what we're doing, we've replicated it over and over and over. So now we just wanna make sure those resources are brought in specifically for Natives across Indian country and using the Native financial systems to do that. Thanks.

Eric Howard:

Thank you, Fern. Tonya, go for it.

Tonya Plummer:

I love that you brought that up Fern, cause that was what I experienced in a very real way. You know, I was commissioned in running a CDFI to do home lending, but you can't finance homes that don't exist. And so very quickly the conversation turned to how do we develop, how do we partner with our housing authority and work with federal dollars to develop and bring private capital into that? How do we work with our tribe to lay out legal infrastructure and UCC codes, all of those things that we need. So, I just wanna make sure that you're aware that we are aware of that and working very hard to, I probably overuse the word ecosystem, but it's so necessary. We have to build that entire ecosystem of support around development, finance, education, and all of it. And so, there are people who are like, we have a body of work in two states working to train and certify ICC certified Indian inspectors to walk tribes through developing their own building codes

greater than the minimum HUD standard, construction internship projects with the South Dakota Native Home Ownership Coalition that have been very successful. I can't remember which round they're on, but this is, you know, training those construction workers, Indian construction workers on the ground who can provide those services to their communities, working with housing authorities to learn to leverage their NAHASDA dollars and develop more and on a grander scale. So, there are a lot of people solving for this right now. So, I just wanna make sure that nobody could go away saying, well, we can't approach that yet until there are more homes, some of those creative products in ways that could you invest in Native CDFIs could be on like helping them finance developers and things like that and encourage that construction. One of our arguments with the tribe was that this is, housing is an economic development conversation, it's not just a housing conversation and you can't approach them in silos, looking at construction multiplier effect and what that does to an entire tribal economy when they have more focused development that takes place there. It's part of the circular process of retaining dollars, plugging leakage, and also building community and resilient economies. So...

Eric Howard:

Thank you, Tonya. Robin.

Robin P Danner:

You asked where I would like the Federal Home Loan Bank system to become. First, setting that foundation once again for you as a regulator to get the Federal Home Loan Bank system to embrace the reality that it has a federal trust obligation to these three Native groups, which will lead them to understand that American Indians, Alaska Natives, Native Hawaiians, for the purposes of the trust obligation, these are not race-based programs, which again, is another misnomer that gets all messed up. If you understand federal Indian law, and there's an entire office of Tribal justice within the Department of Justice that would be at your, and a myriad of professors, right? They could teach this very basic tenant of our own constitution, that American Indians, Alaska Natives and Native Hawaiians are not race-based. So that's gonna give us a lot of tools to begin to envision this Federal Home Loan Bank system. We have to start there. We have to stop sweeping dirt around the room of, I'm too scared to ask or we're not sure... We've got to bring the Federal Home Loan Bank system into the federal obligation. And then I was thinking, once we have that, there's a myriad of programming that can happen. But one thing I was thinking about, one of the reasons, thank you for asking me about multi-family, I put multi-family in there because most Federal Home Loan Bank members understand and are comfortable with multi-family rentals. It's a known commercial real estate project. The pro formas are, you know, debt ratio doesn't matter on an individual basis, you know, debt service is more important... It's something that they... So that's why I chose that. Besides, it's a broad need. So, what about the Federal Home Loan Bank systems of tomorrow mitigating risk through rates to your members? 50 basis points. Hey, if you make a multi-family real estate loan on tribal lands in your service region, you get 50 basis points off to start to mitigate some of the comments you've heard from my colleagues here,

that conventional banks are gonna run from water that doesn't flow easily down, right? They'll just leave it for somebody else. So maybe we need to use our, the Federal Home Loan Bank's pricing mechanism, its pricing power for its members, which is one of its benefits, right, for banks to be members of the Federal Home Loan Bank. So maybe we need to leverage and stand in on what makes a Federal Home Loan Bank system, what member banks want to be members. So that was just my quick comment about that. So, thank you.

Eric Howard: Thank you, Robin. So, a few moments ago we talked about, you know, focusing in on the future role. So, Jeff, I'm gonna toss this to you and open it up to others. What does innovation look like in the Federal Home Loan Bank system with respect to Native American communities and CDFIs?

Jeff Tickle: Thank you, Eric. Can you repeat the question one time, please?

Eric Howard: Let's just talk... Did the same thing myself? Sorry, it's contagious there. So, I was just asking you if you had any thoughts on what innovation looks like if we're looking at what the Federal Home Loan Banks can do in the future to address the needs of Native American communities and Native CDFIs and pilot programs... Anything like, just what your thoughts are on that.

Jeff Tickle: The one comment I have, I think, relates to a lot what Dave talked about earlier as far as, it almost sounded like a pilot idea for Federal Home Loan Bank systems. So, I'm gonna defer to Dave.

Dave Castillo: I think he's referring to my previous comment about special membership category. And I literally, just popped into my head, just as we were talking. So, I don't have a lot of thinking or thoughts on that at the moment, but I wanna zero in on the concept of innovation, right? Where have we seen the banks innovate tremendously? And I'm thinking about what happened just before the '08-'09 recession, what was going on in the banking industry? We had something that are commonly referred to now as NINJA loans, right? No income, no job, approved. Like how much of an innovation was that? How many internal underwriting requirements did they have to change and shift to be able to innovate this tremendously innovative product, right? If they're properly incentivized, they will innovate. So, if the question is what kinds of innovations... I think this special membership category is one of those, but I think at the foundation, the question is are they properly motivated to innovate? And what can we do to properly motivate them? I mean, NINJA loans are, what is that? Right? It's based on some belief of, you know, some return and they don't have that belief yet. So, I think that's for us to do. But it's an intriguing question. Thank you.

Eric Howard: Thank you, Dave. So, Mel, I would like to ask you, are there...

Eric Howard: Oh, I'm sorry. Oh, I'm sorry, Robin, I didn't see your card. Okay.

Robin P Danner: I'm not gonna let you get away with, without going with innovation. I don't know. I think the Federal Home Loan Banks, along with what Dave said, along what I

said, using your pricing arm, using your pricing power to innovate for trust lands, to get your members to incentivize them. But also, what about participation loans? What about laying out a Federal Home Loan Bank product that finances a participation loan with a member bank and Fern or a Native CDFI, so that our financiers, our lenders are bumping into the Federal Home Loan Bank member lenders. What about indigenous leaders' management training program? Elmer Rasmussen, the owner of National Bank of Alaska, when I was very, very young, asked to hire me at National Bank of Alaska. And I remember saying to him, why me, Mr. Rasmussen? And he said, because Robin, it's much better to turn a Native into a banker than to try to bring outside bankers to get them to understand Native culture. So Federal Home Loan Bank innovation, hello, let's do a fellowships program. You know, we've got amazing talent in Indian country. Whether they're in professorships, whether I mean all across the board, Federal Home Loan Banks should have an indigenous leaders management training program like some of the banks do, that will then, of course, you cannot innovate for trust lands without having foundational embrace of the federal United States, federal Indian law, and federal Indian obligations. So those are my three or four innovations before you get away, Eric.

Eric Howard: Thank you, Robin. You caught me. Okay, good. Appreciate that. So, Fern.

Fern Orie: I just have one quick tangent to add to that. Look at those words, innovation, we talked about law enforcement and incentivizing, and use those as a way to innovate. Instead of looking for the barriers in the systems and the regs and all these things that we have in place now, look at it as where's the opportunities, right? Whether it's written in stone and a way to get through those language barriers of what's the barrier? What's the lack of access? How can we get around that? Look at it as opportunities of what's not written? Or rewrite all of the above. But I love the words how we talked about enforcement and incentivizing because your agency has the power to do that. And that's what I see as innovation that'll, I love Robin's analogy with the water streaming through to where it needs to get to most. Those tributaries are the ones that we need to pay the closest attention to. And that's where these deep pockets of underserved communities, especially across Native America, is what needs it most. And that's where we can find that innovation and creativity. And we know how to do that as non-regulated financial institutions. CDFIs have the latitude to get the job done, to get the loan done. We need your help to do that. And you need our help to make sure you're doing your job. So, I love this conversation and that's where the innovation starts.

Eric Howard: Thank you, Fern. So, Mel, are there any tradeoffs that we need to consider as we look at a future state?

Mellor Willie: I guess I need more explanation of what you mean by trade off?

Eric Howard: We've talked about a lot, we talked a lot about maybe changes that need to occur, a different focus, is there, for example, the risk profile, is there the need to have

more tolerance for risk? And that's just one example, but to me that's a concrete example.

Eric Howard:

Is that something that we need to consider?

Mellor Willie:

Sure. I don't know if there's necessarily a tolerance for the risk, cause as Rollin told you, his loans with that are executed through the CDFI are working well. I mean, you look at Lakota Funds in South Dakota, they're doing really well, extremely well on the funds that, and the loans that they're providing. But the fact is that they still don't have those strong connections and there's still a hesitancy. So again, it goes back to what Fern brought in is making sure that there's incentivized and what Tonya brought in and incentivizing partnerships with tribal communities and CDFIs. But I wanted to go back to your previous question about innovation. I have such a long list... Going back to the special membership category that needs to be done. We need to look at the outreach engagement plans. Do they even have one? And let's look at that, bring it forward, let's redline it, let's put it out, let's give some ideas, let's have them show up at tribal fairs. There's all different opportunities to do that. Convenings. We can have more convenings with the Federal Home Loan Bank. We're looking at buyback loans on trust land so that it opens capital for CDFIs. The advisory council, not just for the Federal Home Loan Bank, but also keeping you guys accountable for the Federal Housing and Finance Agency and all the GSCs, and all the GSCs need to follow their own tribal consultation policy that's outlined and dictated by the President of the United States. And come to Indian country. We're holding this convening here in Washington, DC. All of these folks around the table are probably, have very small budgets and they're spending money to come here and thankful that it's, it correlates with one of our other events. But we invite you to Indian country, come have some fry bread and meet my family because that's why we're so passionate about the issues that we come to today at this table is because we're coming with the prayers and songs of our ancestors. Our ancestors have gone through significant turmoil. My own story, my middle name is Chi William, my grandfather went on the Long Walk where he was forced, relocated, and he comes back and had dreams for us to live on the reservation. My brother lives on the reservation. And he could go off and live off the reservation and do amazing things, but he's there because he wants his children to learn the language and culture. Our greatest resource as Indian people is not gaming, it's not oil, it's not coal... It's our Indian people and our Indian children. But if we cannot raise our Indian children in the life ways of our people, we lose our identity as Indian people. My brother is a church leader. He goes out on the weekends and gathers wood for elders. My niece is a state representative on the DECA program. She's doing amazing things. They're actively contributing to that community, and we lack home ownership opportunities in tribal communities to keep them there. And they struggle to keep their way of life there, but they do, because they want to stay in their tribal community. That's why we're so passionate here at this table, and we bring up these issues and I think that needs

to be articulated to folks within the administration that that's the reason why we are here today. Thank you.

Eric Howard: Thank you, Mel. Appreciate that Innovation. One more innovation. Robin.

Robin P Danner: One last innovation. All of them. That I can see in the future. I'd like to wake up as a financier in the banking and credit market and it be easily found, an annual, a simple annual report by Federal Home Loan Bank region capturing the amount of investments made on tribal lands. I want that to be like normal. I wanna see that in tribal news. I wanna see that, you know, it's a normal transparency. That would be an amazing innovation so that we're not always having to dig through stacks of this and that and this. And it becomes a normal FHLB innovation that an annual report is gonna come out. We're not ducking, we're not cheering, here's the data, not on us, but on the bank's members. That's where you could be so so powerful because it's not gonna cause pitchforks, it's gonna cause us to figure out, pick up the pen and figure out how to change those numbers. But we never see those kinds of simple, transparent reports. So that's my last innovation for you, Eric.

Eric Howard: Great, thank you. So, I don't know about you, but two hours flew by very quickly. Yeah. It did. Just almost, almost. But with that, the clock ticking down, what we wanted to do was pose one question for all of you and we'll go around, and Jeff, we'll start with you. So, what is the single most important change you would recommend to best position the Federal Home Loan Bank system to fulfill the roles that you envision? And if no changes are needed, why not?

Jeff Tickle: I'm actually gonna jump on your comment about trade-offs real quick about risk profile. If a Native CDFI has a portfolio delinquency rate of 0% to 1%, are they truly serving the folks that we're trying to serve? I think that there's something to be said about a consideration of the risk profile. I mean, you know, at the end of the day, it's our role to take that risk. I'll go back to it. I'll say it again. It's non-traditional lending. So, I think that just an emphasis on that reconsideration is what I would say. Thank You.

Eric Howard: Robin.

Robin P Danner: So, I was trying to think about how, I mean to answer your question, what's one thing? So, I'm gonna choose the gift that will keep on giving to the Federal Home Loan Bank system and to its regulator. If there, if you make me only pick one thing that will touch all of those other things that Dave said, that Mel said, the gift that we'll keep on giving to this system for improvement and better and for its members, stand up a Native intermediary council, advisory council to the Federal Home Loan Bank systems. And I said, intermediary, Indian country has amazing intermediaries that are 20, 30, 40, 50 years old. I mean, we have intermediaries that are intermediaries of the many, right? So, we can have turnover in our intermediaries, whether that's the National Congress of American Indians, the Alaska Federation of Natives, the Native CDFI network... We have decades long

intermediaries. I'm making that distinction because we need to not have Native American advisory boards that are the last Indian you met in college. Right? It needs to be more consistent and longer and robust. And so, who should you have an advisory council of? The Native intermediaries. I mean, Mel was the executive director of the National American Indian Housing Council, right? I mean, so the talent remains in the organization. The (speaking in foreign language) stays with these national intermediaries of our Native intermediaries and they come and go and come and go. And so, if the Federal Home Loan Bank embraces that Native American Advisory Council, that is seated by Ferns Oweesta, which her members will then be on Pete Upton's NCN and his Native CDFIs, Alaska Federation of Natives and a few of their members, it will be the gift that will keep on giving in the field of improving service of our financial system to the first Americans, to indigenous peoples across the country, including Native Hawaiians. So that would be my one.

Eric Howard:

Rollin.

Rollin Wood:

I'm the least knowledgeable person here in regarding banking. So, I'll do my best. And that is to include Native American CDFIs as intermediary slash member banks interfacing directly with the communities because we know our communities, and I'm not sure how that would look, so I defer to others at the table that are far more knowledgeable than I am in that sector.

Fern Orie:

Just to dovetail on Robin's comment, I would use the word practitioners as your advisory board to make sure that you have a blend of people that have worked in the trenches and knowing what it takes to get these deals financed, so that it's not just this high level of people that have been working in other areas, but it's really the people that have been doing the work, that understand what it takes to get the job done so that they can advise properly. But, you know, ultimately the biggest one change to me would be to leverage the Federal Home Loan Bank system to directly fund Indian country through the member banks, which should be including all NAFIs, Native American financial institutions, the CDFI member category is huge. That's the lever that you need to find the way to get it done. That's the lever we all need. Invest in the intermediaries. Oweesta Corporation, we have \$60 million pipeline in housing alone and we need to have access to that, we need a secondary market that's accessible and makes sense for our Native CDFIs. So, using that Federal Home Loan Bank system to leverage all of these opportunities, it's a win on every level. It's a win seven generations down the road. It's a win for now. And I think the administration we have right now, the great work that you're doing by holding these types of conversations, it's the catalyst that we need to make sure that we get to that end goal. Thanks.

Mellor Willie:

So, if I had a blank check, (laughs) I'm gonna take Robin's idea a step further and actually create an office with staff to effectuate a charter that is to find solutions to increase our capital to Indian country and then also to have regular inconsistent communication with Indian country. Those models are out there.

You know, we have one of the greatest success stories from a tribal advisory committee, and Treasurer of the United States, Treasurer Malerba sat on the Treasuries Tribal Advisory Council and now she's the Treasurer of the United States. So, we do have talent, we do have the ability to find solutions, give us a chance to do it.

Tonya Plummer:

Just so there's some variety and suggestions... Those numbers, you know, 0.15% of Federal Home Loan Bank members, 9.7 million Indian people and yet, you know, there are more member institutions in West Des Moines with 70,000 people. That's a lot of underserved people out there. It just, the ratio is skewed grossly and needs to be fixed. So, I would challenge the Federal Home Loan Bank to assess what investments have gone to Indian country and how does that compare in ratio to dominant society without that, you know, and then Federal Home Loan Bank does not pay federal or state income taxes, quantify what that would look like if you had to, and challenge yourselves to invest that.

Dave Castillo:

I really like putting a number to it and I think we've got an easy way to do that. So, thanks, Tonya. As far as my single most important change, you know, this falls under the rubric of if it's not measured, it's not managed. Federal Home Loan Bank banks and its members have had too many opportunities and products that they could have measured and managed in terms of their deployment to Indian country. And they've not done that. So, I'm gonna go back to my suggestion here, you know, something new and innovative to measure would be the special Native CDFI membership category. How many can you get on board now. If you haven't done it under HRA, how many can you do if you've got a new category? And what is the success rate and what is, you know, because if we set the standard, if we set the bar, then that forces Federal Home Loan Banks to achieve something and to be held responsible for, and to either say we've done nothing and it's still a big goose egg, or guess what, we got three this year and we're targeting eight next year, and by year three it'll be 15. Right? So, we've gotta measure it, we've gotta manage it. And I think that special membership category is a change that could help get us what we need. Thanks. Plus, what Tonya said and everyone else.

Joshua Stallings:

So, I just wanna, as we're wrapping here, I just wanna stop and say thank you to, again, to everyone for participating in this today. I do appreciate that you all have journeys to get home. I'm glad that we were able to make this happen while you happen to be in town otherwise. I'd normally like to roll through a few things that are like the takeaways that I had from the discussion, but I'm gonna go ahead and tell you my list would be too long, and we'd be here a while. This was a great discussion. I really do appreciate this feedback, and this is something we're gonna be taking back in our considerations. I want to, again, remind everyone, including those that are watching the stream, that they can find more information on our website about what we've already done, what we're still planning to do, including, keep an eye on the website cause we will be asking for people to submit written comments again in the future. You know, I think that did here, that some people would like to submit more comments in that vein. And I will be looking

forward to reading more thoughts as people have time to digest what was said here today and have further thinking even on top of this. So please remain engaged with us on this topic. We're not done. This is an ongoing review that has several more months left before we're before it's over. With all that said, once again, thank you to everyone here. Thank you for the team that put this together. Everyone that has done these things knows, like the organizing something like this, you see me and Eric and there are probably about 20 people that actually made this happen that you're not seeing. And, you know, and everyone, a safe journey's home. and we really do appreciate your time. So, thank you all. - Thank you. - Thank you. (audience applauding)