



July 11, 2024

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
Constitution Center
400 7th Street SW
Washington, D.C. 20219

Via Electronic Submission @ <https://www.fhfa.gov/public-input/fhlbank-mission>

RE: FHFA Request for Input

Dear Director Thompson,

The North Dakota Bankers Association (NDBA) offers comments on the Request for Input (RFI) published by the Federal Housing Finance Agency regarding the Federal Home Loan Banks' Core Mission Activities and Mission Achievement. NDBA is a state trade association organized in 1889 to serve as a voice for North Dakota banks. NDBA's 61 members are commercial banks and savings institutions which operate and serve consumers, farmers and commercial customers in North Dakota.

The RFI is a result of the Comprehensive Review of the Federal Home Loan Banks conducted in 2023. It reviews the statutory background and regulatory provisions in FHFA's Core Mission Activities regulation related to the mission of the FHLBanks, requests input on updates to the mission statement, methods for measuring and evaluating mission achievement, and financial incentives for members with a strong and demonstrable connection to the mission of the FHLBank System.

NDBA's suggests the FHFA proceed with caution when addressing the mission of the Home Loan Bank System, as this falls within the statutory purview of Congress. In the Federal Home Loan Bank Act, Congress has authorized the Home Loan Bank System to provide liquidity to its members in support of housing and community development. In addition, Congress has authorized the types of institutions eligible for membership and the requirements for them to access liquidity and other products and services.

NDBA's member banks care about the vibrancy and vitality of their communities and appreciate the Congressionally defined role the FHLB System plays in helping them serve their customers.

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By far, the majority of NDBA member banks qualify under any definition as community banks and most are also small banks. North Dakota banks work hard to provide the full range of modern banking services to North Dakotans. As the backbone of main street businesses, community banks must have access to the full range of tools critical to the operation of a safe, sound and profitable institution in today's complex banking environment. FHLB liquidity services have become one of those critical bank management tools for banks in North Dakota, especially given the cyclical nature of the state's agricultural economy.

Specifically, the FHLB of Des Moines has been an important partner for banks in serving the housing needs throughout the state by providing liquidity to support housing finance in all economic cycles and operating environments. Affordable housing, especially in rural North Dakota, continues to be a critical challenge. The FHLBank's mortgage programs and down payment assistance programs allow banks to meet the needs of their customers by filling the financing gaps.

NDBA appreciates the opportunity to comment on the FHFA review of the FHLB system. We do have great concern that attempting to redefine the mission of the FHLB System without clear Congressional intent will harm North Dakota banks and the communities they serve.

Thank you for the consideration of our comments.

Sincerely,



Rick Clayburgh
President and CEO