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October 18, 2022

Ms. Sandra Thompson

Director

Federal Housing Finance Agency

400 7th Street, SW

Washington, DC 20024

Dear Director Thompson:

I write in response to the Federal Housing Finance Agency’s announcement of a comprehensive review of the Federal Home Loan Banks (the FHLBanks.)

**I have served on the board of the FHLBank Boston for eight years and as chairwoman since January of this year. I am chairwoman of North Brookfield Savings Bank, a $357 million mutual savings bank that has served Central and Western Massachusetts communities since 1854. I am proud to have served as president and CEO for fourteen years there as well.**

I’d like to focus my comments on four areas of the FHLBanks: governance, varied membership, regional structure and voluntary programs, and statutory programs.

**Governance**

Both the financial and the housing and development industry of New England are represented on FHLBank Boston’s board of directors, with eight member and seven independent directors. Our member institutions can be confident that the issues and concerns we share with other members, whether industry-based or housing and community development-based, are fully communicated and discussed.

Our members appreciate and value their partnership with the Bank and work in several ways to help improve and refine products and services. For example, the Member Advisory Panel, which is composed of member lending officers and staff, meets regularly with leadership and Member Services staff to offer suggestions and feedback.

**Varied membership**

FHLBank Boston counts 425 members across New England: 141 savings institutions, 159 credit unions, 50 commercial banks, 71 insurance companies, and 4 CDFIs. Throughout its 90 years, the FHLBank Boston has always been a safe, stable, and accessible source of liquidity. As of June 30 of this year, our members have collectively $25.8 billion in advances (loans) outstanding and own more than $1.2 billion in capital stock.

**Many of these members are small institutions such as North Brookfield that would otherwise not have access to such funding options, which help them provide financial services for individuals and families in traditionally underserved areas. This is of critical importance to a bank like North Brookfield Savings, as we are the only bank in the town of North Brookfield and it has provided us the needed liquidity to continue to support the community.**

**In addition, we have been able to sell our residential first mortgages to the Home Loan Bank through the MPF Xtra Program, and retain servicing for our borrowers. This program allowed us to maintain an important source of financing for the communities that we serve.**

**Regional structure and voluntary programs**

The cooperative nature and regional structure of the FHLBanks enable each FHLBank to
respond to local needs, and design products and services tailored to the communities served by
their members. For example, in addition to providing liquidity and community development support, FHLBank Boston has created innovative voluntary programs that address job creation and retention, and support for homeowners, providing yet more support to the local economy.

The Jobs for New England program subsidizes interest costs, allowing our members to provide discounted loans to support small businesses. And the Housing Our Workforce program, a program that partners with members to provide income-eligible homebuyers with matching grants for down payments. Homebuyers can receive up to $20,000 on a first-come, first-serve basis.

**Through JNE, we were able to provide funding to a small, woman-owned business in the small town of Spencer, Massachusetts for the expansion of a farming equipment company and retail store. The funds were used on facade improvements to the existing building and interior renovations.**

**Statutory programs**

These voluntary programs help us serve our communities just as the more well-known, statutory FHLBank programs have done for decades. Since the AHP’s inception in 1999 through 2021, FHLBank Boston members have been awarded more than $721.9 million in total subsidies and subsidized advances to create or preserve more than 35,340 affordable rental and ownership units throughout New England and beyond.

And the Community Development Advance program is a discounted fixed-rated financing program which our members have used to support affordable housing development or small business loans in their communities. **Through the CDA, we were able to provide mortgage financing to 22 households earning at or below 115 percent of the area median income throughout Essex, Hampden, Hampshire, and Worcester counties.**

For 90 years and counting, the FHLBanks have fulfilled their mission to serve as a source of liquidity for its members. In undertaking the review, the FHFA should take care to maintain three key principles: preserving the regional nature of the FHLBanks, maintaining members’ current access to FHLBank products and services, and enhancing the value and importance of the FHLBanks to their members and the communities they serve.

Thank you for the opportunity to provide a comment on the review.

Sincerely,

Donna L. Boulanger

Chairwoman

Board of Directors

Federal Home Loan Bank of Boston

Chairwoman

North Brookfield Savings Bank