

On behalf of the Affordable Housing Advisory Council (AHAC) of the Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis), I would like to share our thoughts as part of the comprehensive review of the FHLBank System undertaken by the Federal Housing Finance Agency.

The FHLBanks' Affordable Housing Program (AHP) and Community Investment Program (CIP) have been recognized as highly successful, effective, and valuable programs by others during the Listening Sessions. We share the view that AHP and CIP are working well to help address affordable housing and community development needs in our communities.

In 2021, FHLBank Indianapolis funded \$12,837,972 through competitive AHP and homeownership set asides, helping to create 1,646 units of affordable housing in Michigan and Indiana. CIP also funded \$329,213,247 in 2021 advances and letters of credit with affordable housing creation, infrastructure improvements and job creation. Such financial support is crucial to our communities working to provide more accessible and sustainable affordable housing, and a key step in breaking down the cycles of poverty.

We focus our comments on the vitally important leadership role the Bank plays in our states. It has been our experience that the FHLBank of Indianapolis not only takes its affordable housing and community investment mission very seriously but works to foster creative partnerships that make our communities better places to live and work.

For example, in 2002 FHLBank Indianapolis, with guidance from the AHAC, developed a home repair program designed to keep low-income people in their homes. Local community-based organizations collaborate with FHLBank of Indianapolis members, including Minority Depository Institutions, to ensure the grants get to community residents in need of repairs such as new roofing, windows, or siding. Grant recipients often aren't aware the repairs were funded by a grant from FHLBank of Indianapolis. While the FHLBanks are sometimes criticized for being little known, our experience has been that the FHLBank Indianapolis is focused on making a meaningful difference in communities throughout Michigan and Indiana.

The FHLBank Indianapolis also plays an important role as a convenor and facilitator. Through our AHP and other programs, we help build partnerships between local nonprofit organizations and member financial institutions in the communities they both serve. We believe the "high touch" approach of FHLBank Indianapolis with its members and community organizations helps foster alliances that simply would not happen with a less regionally focused FHLBank System.

One example of that key facilitator role is our Community Mentors Program, which spurs community development by connecting member financial institutions with local community development organizations. FHLBank Indianapolis hosts workshops designed to stimulate thinking and creative solutions to address unique challenges of a community. As part of the program, the Bank provides a grant to fund a study or plan a specific initiative to strengthen a community.

Another example of the Bank working to bring parties together was the October 2021 opening and staffing of a satellite office in Detroit. We opened the Detroit Hub to provide an accessible resource to better facilitate community engagement among local partners and financial institutions. That initiative has already been proven successful, as more than a dozen training and engagement events have been held at the office since opening. That has resulted in an increased number of AHP applications and AHP grant recipients in Michigan, and we are optimistic these partnerships will continue to grow and strengthen.

We believe the FHLBank System can have future impact by continuing to partner with organizations serving people who need assistance, assisting affordable housing developers as they navigate the housing market, addressing a NIMBY (Not In My Backyard) mindset by speaking to the importance of affordable housing, and encouraging our member financial institutions to become engaged in community development.

The continued success of these locally based initiatives can be attributed to the regional nature of the FHLBank System. Having the management, board members and AHAC members on the ground in Michigan and Indiana truly does make a difference in setting Bank policies and priorities. National and larger regional organizations play an important role in helping address affordable housing and community investment needs. But our experience on the AHAC is that, in addition to providing critical financial support, FHLBank of Indianapolis plays a unique role as a catalyst for creating lasting partnerships between member financial institutions and community-based organizations – and that those partnerships result in effective, meaningful results for those who need it most.

Sincerely,



George Guy

Chair, Affordable Housing Advisory Council
FHLBank Indianapolis