

From: Robert Rutkowski <r_e_rutkowski@att.net>
Sent: Tuesday, November 1, 2022 4:28 PM
To: !FHFA Web Master
Cc: Keith Abouchar
Subject: [EXT] Ensure the Federal Home Loan Banks Do More to Promote Fair and Affordable Housing

CAUTION: External Sender

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Sandra L. Thompson, Director
Federal Housing Finance Agency
Constitution Center
400 7th Street, SW
Washington, D.C. 20219
Phone: 202-649-3800
Fax: 202-649-1071
FHFAwebmaster@FHFA.gov

Re: Ensure the Federal Home Loan Banks Do More to Promote Fair and Affordable Housing

Dear Director:

The National Fair Housing Alliance® (“NFHA™”) and allied advocacy organizations have submitted a comment letter to the Federal Housing Finance Agency (“FHFA”) in response to FHFA’s request for comments on its comprehensive review of the Federal Home Loan Banks (“FHLBanks”).

The FHLBanks receive tremendous public subsidies and private benefits while providing comparatively little in return to the public’s interest.

Last year, the FHLBanks provided only \$314.7 million in affordable housing subsidies nationwide, while paying out more than \$1 billion in dividends to their member financial institutions. For that reason, FHFA should ensure that the affordable housing requirement is substantially increased. A substantial portion of that amount should be dedicated to centering equity and remedying existing racial homeownership and wealth gaps by affirmatively furthering fair housing, consistent with the FHLBanks’ obligations under the Fair Housing Act.

Homeownership has long been a path into the middle class and economic security for families in the U.S. Unfortunately, our nation’s long history of discriminatory housing policies has created distinct advantages for White families, leading to massive homeownership, credit, and wealth gaps that persist today. Despite the tremendous public subsidies received by the FHLBanks, including an implied federal guarantee and tax exemptions, the FHLBanks are only required to provide a minimal public benefit in the form of directing 10 percent of their net income to the Affordable Housing Program. FHFA should strongly encourage the FHLBanks to substantially exceed rather than merely meet the statutory threshold of directing 10 percent of their net income to affordable housing. FHFA should emphasize that the FHLBanks should aim for a race to the top in

providing meaningful fair and affordable housing benefits, rather than a race to the bottom that merely meets the statutory floor.

We commend FHFA for undertaking a comprehensive review of the FHLBank structure and urge FHFA to incorporate the following suggestions:

FHFA should recommend that Congress amend the FHLBank Act to require the FHLBanks to direct substantially more of their net income to affordable housing, with a substantial portion of that amount dedicated to affirmatively furthering fair housing.

FHFA should recommend that Congress amend the FHLBank Act to expand the purpose of the Affordable Housing Program to include funding for climate resiliency.

FHFA should require the FHLBanks to submit Equitable Housing Finance Plans.

FHFA should encourage the FHLBanks to clarify that financing to members can be used to promote access to credit for underserved markets.

FHFA should require the FHLBanks to ensure that member advances are not used to promote source of income discrimination in multi-family rental housing.

FHFA should issue regulations requiring that approval of an application for membership or access to long-term advances be conditioned on the fair housing and fair lending record, and that community development financial institutions (“CDFIs”) with assets greater than \$1 billion must have a community benefits agreement.

FHFA should encourage FHLBanks to add more public interest independent directors, including those with experience in fair housing and fair lending.

FHFA should require the FHLBanks to provide transparency regarding how they address equity concerns and the unique needs of financially vulnerable communities.

FHFA should disclose details on the Office of Minority and Women Inclusion’s (“OMWI”) findings that required corrective actions.

FHFA should conduct a comprehensive analysis of the public support and private benefits received by the FHLBanks and their members as compared to the benefits received by the public.

Full letter:

https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fnationalfairhousing.org%2Fwp-content%2Fuploads%2F2022%2F11%2F2022-10-31_NFHA-et-al-Comment-Letter-to-FHFA-re-FHLBs_FINAL.pdf%3FemailBlastContent%26eId%3D379dcc6f-a66c-477c-a770-22c08f3ed870&data=05%7C01%7CVanessa.Loggins%40fhfa.gov%7C69e4bfb4730c488a548508dabc47c3db%7C0aebef204ba040eb93d637c168a45667%7C0%7C0%7C638029313679745961%7CUnknown%7CTWFpbGZsb3d8eyJWljoIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&reserved=0

Yours sincerely,
Robert E. Rutkowski

cc:
Legislative Correspondence Team
1705 Longworth House Office Building
Washington DC 20515
Office: (202) 225-4131
Fax: (202) 225-4300
keith.abouchar@mail.house.gov

2527 Faxon Court
Topeka, Kansas 66605-2086
P/F: 1 785 379-9671
E-mail: r_e_rutkowski@att.net