

Date: March 7, 2023

To: Federal Housing Finance Agency

Regarding: FHLBank System at 100: Focusing on the Future

My name is Joe Bunke, President of Cincinnati Federal (CF), a small 101-year-old federally-chartered savings association serving the Greater Cincinnati and Northern Kentucky area. When I arrived at CF twenty-six years ago, we were a mutual thrift with less than $50 million in assets. With the help of FHLB of Cincinnati, two small acquisitions and capital market funding, we are currently over $300 million in assets and are publicly-traded.

Understanding the need to grow to achieve economies-of-scale, Cincinnati Federal relied on FHLB to provide much needed liquidity for us during this time. We were able to manage interest rate risk by matching advance terms with the re-pricing of our loan assets. Over my forty-seven years in banking, I’ve seen many interest rate cycles. Much of this time, deposits were difficult to obtain. It was critical for us to be able to secure FHLB financing which offered many different loan product types to fit our needs. This includes letters of credit which we utilize to maintain public unit deposits with local townships.

Although CF sells mortgages to other investors as well as to FHLB, FHLB’s mortgage purchase program has allowed us meet borrower demand for 30-year fixed rate loans for home purchases and refinancings. The FHLB’s LRA (Lender Reserve Account) is beneficial to us providing additional yield and is unique among mortgage loan buyers.

As a FHLB of Cincinnati member, Cincinnati Federal is proud of the work FHLB does with their affordable housing programs. Every year, we have enabled our borrowers to become home-owners through FHLB’s “Welcome Home” program which provides down-payment assistance. Cincinnati Federal has also participated in the “Community Investment Program” which provides financing incentives in lower income areas. Our community is a better place as a result of the FHLB of Cincinnati.

Thank-you for the opportunity to provide input.

Joe Bunke

President

Cincinnati Federal (Cincinnati, OH)