DATE: March 22, 2023

TO: Federal Housing Finance Agency

400 7th Street, SW

Washington, D.C. 200241

Cc: FHLBSF - Public Affairs Team

FROM: Universal Bank

3455 Nogales Street, 2nd Floor

West Covina, CA. 91792

SUBJECT: Comments to FHFA on review of FHLBanks

The following topics outline the vital role, unique value, and broad community impact that the FHLBSF provides to Universal Bank (the Bank) and community it serves.

Why is Universal Bank a member of FHLBSF?

Response: FHLBSF is a valuable resource to the Bank primarily for their available products and services. Today, the Bank utilizes its established FHLBSF borrowing line as an alternative source of liquidity and is part of the Community Investment Program (CIP) offered by the FHLBSF.

The Bank has also been part of the FHLB AHEAD program, which assists in supporting non-profit organizations our local community.

How does the Bank use the FHLBank?

Response: See response above.

What is the impact of the Banks FHLBank membership on the Banks ability to serve our customers and communities?

Response: As mentioned above, the primary service that the FHLBSF provides today is providing an additional liquidity source to the Bank and supporting the Bank in building relationships with non-profit organizations that support our local community.

What would be the effect to the Banks business if the FHLA restricted access to the FHLBSF because,

* the Banks asset size
* lending products
* advances exclusively for mortgages or housing-related products.

Response: to respond to the 3rd bullet above, the Bank does not originate single-family loans (SFRs), therefore FHLB advances to fund SFR loans is not needed.

If the FHLA were to restrict access to the FHLBSF could possibly have an impact on the Banks asset size if borrowing capacity were to be reduced limiting usage as an alternative liquidity source for the Bank.