

**Federal Home Loan Banks**  
***Position Paper***  
***on Housing Finance Reform***

For more than 80 years, America's Federal Home Loan Banks (FHLBanks) have reliably provided support for housing, jobs and economic growth. In good times and bad, this national system of member-owned, regional cooperatives has operated prudently and served as a mechanism for economic stability. It is a model that works.

Today policymakers are considering proposals to restructure the nation's housing finance system. Throughout this process, the FHLBanks will support policy decisions that ensure they will continue helping their members -- 7,600 financial institutions of all sizes and many types -- play a vital role in mortgage finance and in the financial health of our communities.

The FHLBanks have adopted the following positions:

1. We believe that all FHLBank members, together with their FHLBanks, must be a part of the solution in creating a newly restructured U.S. housing finance system.
2. We believe that the core strength of the FHLBanks is their member-driven cooperative structure.
3. We support the preservation of the FHLBanks' role, under their traditional structure and charter, to support housing and provide lower-cost funding and liquidity to their members through secured wholesale lending and other products, programs and services.
4. We believe that the FHLBanks must have the authority to build upon existing mortgage programs to improve their members' access to the secondary markets.
5. We support the provision of statutory authority to allow the FHLBanks the option to securitize mortgage loans.
6. We support the preservation of the FHLBanks' Affordable Housing Program (AHP), which is based on a set-aside of 10 percent of earnings and administered through members.
7. We support the preservation of the existing investment authorities so that members and partners can, in all economic conditions, rely on the benefits of the FHLBanks.
8. We support the preservation of the existing qualifications for FHLBank membership and members' access to all FHLBank services.
9. We support the concept of a single stand-alone regulator for the FHLBanks.

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