

FHLBanks Report Shows Continued Financial Strength; AHP 25th Anniversary Celebrated

WASHINGTON, July 30, 2015

Today's report by the Office of Finance of the Federal Home Loan Banks (FHLBanks) shows continued financial strength and stability among the 11 FHLBanks, according to John von Seggern, President and CEO of the Council of FHLBanks. The preliminary unaudited second quarter 2015 combined operating highlights were released the same month that the FHLBanks celebrate the 25th anniversary of the Affordable Housing Program (AHP).

The FHLBanks are 11 regional cooperatives that are privately owned by nearly 7,400 member institutions of all sizes and many types in every state and territory of the U.S. Their mission is to provide reliable liquidity to members in support of housing finance and community investment.

The FHLBank AHP, funded by 10 percent of each FHLBank's earnings, is a funding stream provided to local communities through FHLBank member institutions. Created by Congress in the wake of the 1980s' savings and loan crisis, the AHP is now the largest single, private source of funds for affordable housing. "The FHLBanks and their local lender members across the nation have contributed well over \$4.4 billion that has assisted in the purchase, construction or rehabilitation of more than 724,000 units of affordable housing," said von Seggern. "The program provides grant funds for affordable housing that would otherwise not be available. And because of the FHLBanks' regional structure, AHP funds can be tailored to meet local needs."

"Funding sources like the AHP are important to areas everywhere in the U.S., especially in a time when Americans nationwide are facing a serious rental housing affordability crisis," said von Seggern.

According to the Enterprise Community Partners' Make Room Campaign, more than 11 million families, or one in four of the 42 million U.S. renter households, spend at least half their income on rent, forcing them to choose between paying their rent and paying for groceries, medicine, childcare and other essentials. "These difficult tradeoffs impact renters' long-term health, education and economic mobility," von Seggern said. "Affordable housing is in everyone's interest because it strengthens families and communities."

"The FHLBanks are part of an economic ecosystem which starts with congressional intent and regulatory oversight and continues in conjunction with the FHLBanks and their members in hundreds of cities, towns and counties for millions of American consumers and businesses," he said. "This economic ecosystem operates in an environment nurtured by a steady flow of liquidity and funding from our 11 regional wholesale banks that are cooperatively owned by private local lenders serving consumer and community needs."