



2023

IMPACT REPORT

Liquidity | Affordability | Stability

JUNE 2024



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A MESSAGE FROM THE FEDERAL HOME LOAN BANKS' PRESIDENTS AND CEOS

The Federal Home Loan Banks are a vital part of the U.S. financial system – serving as reliable providers of liquidity to our more than 6,500 member financial institutions and contributors of hundreds of millions of dollars to affordable housing each year. Through our members, we help lower the cost of homeownership, stimulate job creation and business expansion, and improve access to affordable housing for renters and buyers alike. The important role we play in the financial system was once again highlighted in 2023, as we supported our members through a period of financial market turmoil and significantly increased our commitment to affordable housing and community development.

Credit is the lifeblood of the economy, and our role as liquidity providers expands the capacity of our members to provide credit to American borrowers. We are designed to operate effectively in all economic cycles and market conditions, including during periods of financial market turbulence. Our quick response to members' requests for record amounts of liquidity during the regional banking stress in March 2023 helped to quickly stabilize the U.S. financial system, providing local lenders with the funding and liquidity needed to continue serving their customers and communities.

Our support for housing and community development goes beyond increasing Americans' access to financing. The Federal Home Loan Banks' programs support the purchase, rehabilitation, and construction of affordable housing as well as assist homeowners affected by natural disasters. Pursuant to statute, we contribute 10% of our net income annually to our Affordable Housing Program. Due to significant growth in our core liquidity business, our 2022 income resulted in \$355 million in statutory Affordable Housing Program assessments, available for use in 2023. Our 2023 income resulted in Affordable Housing Program assessments of \$752 million, available for use in 2024, which is a 112% increase from the previous year.

In addition to our statutory commitments to affordable housing, the Federal Home Loan Banks offer voluntary programs that provide broader and more flexible support for homebuyers, renters, local businesses, and community organizations. We have voluntarily committed to increase our support for affordable housing and community development to 50% above the statutory Affordable Housing Program levels.

Our regional structure closely connects us to the communities in which we live and serve, enabling us to respond quickly and effectively to local needs. For example, in 2023, we helped those displaced by the wildfires in Hawaii and assisted businesses and homeowners in rebuilding after tornadoes struck Arkansas and Mississippi. In addition to contributions and assistance made by the Federal Home Loan Banks, we are proud that our employees continue to live our core values by consistently contributing to their communities through local volunteering efforts.

Our positive impact is underpinned by our foundational principles of commitment to diversity and inclusion and strong risk management and governance. We seek to drive diversity and inclusion throughout all levels of our organization – our workforce, our boards, and our external partnerships. For example, 15% of our debt securities were issued through diverse dealers in 2023, helping to create opportunities for diverse dealers in the highly competitive financial services industry.

During our more than 90-year history, we have acted as responsible stewards of the private capital provided by our members, applying a long-term view of financial performance and a conservative approach to risk management. We also continuously collaborate with stakeholders through advisory councils, comprised of industry leaders with strong knowledge of housing affordability challenges.

We work closely with the Federal Housing Finance Agency – our safety and soundness regulator – and other federal and state regulators to constructively solve important issues affecting our members. The Federal Housing Finance Agency's 'FHLBank System at 100: Focusing on the Future' report enabled us to hear from many stakeholders and engage with them on how to strengthen and position the Federal Home Loan Bank System for the future.

We are proud of the value we deliver for our members, homeowners, renters, local businesses, and communities across the entire U.S. We invite you to read our 2023 Impact Report to learn more about the work we do, the role we play, and the impact we have.



Kirk Malmberg
President and CEO, FHLBank of Atlanta



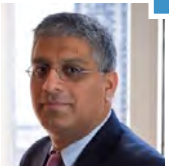
Timothy J. Barrett
President and CEO, FHLBank of Boston



Michael A. Ericson
President and CEO, FHLBank of Chicago



Andrew S. Howell
President and CEO, FHLBank of Cincinnati



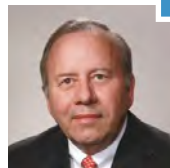
Sanjay K. Bhasin
President and CEO, FHLBank of Dallas



Kristina K. Williams
President and CEO, FHLBank of Des Moines



Cindy L. Konich
President and CEO, FHLBank of Indianapolis



José R. González
President and CEO, FHLBank of New York



Winthrop Watson
President and CEO, FHLBank of Pittsburgh



Teresa B. Bazemore
President and CEO, FHLBank of San Francisco

Alanna McCargo became the President and CEO of FHLBank of San Francisco on June 10, 2024.



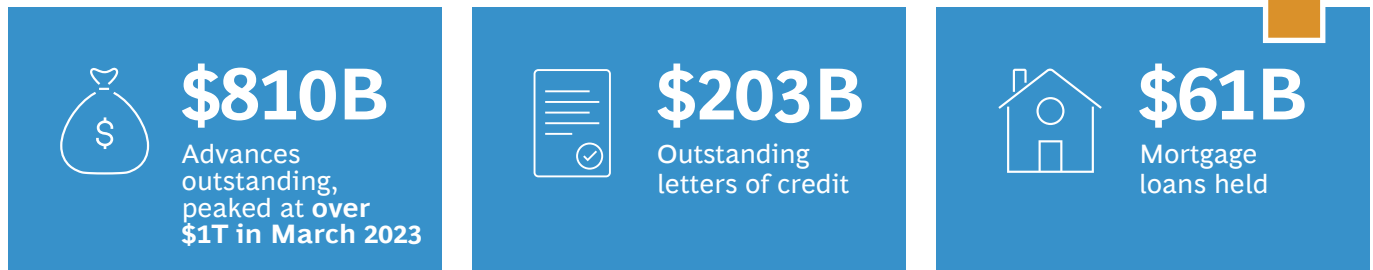
Jeffrey B. Kuzbel
President and CEO, FHLBank of Topeka



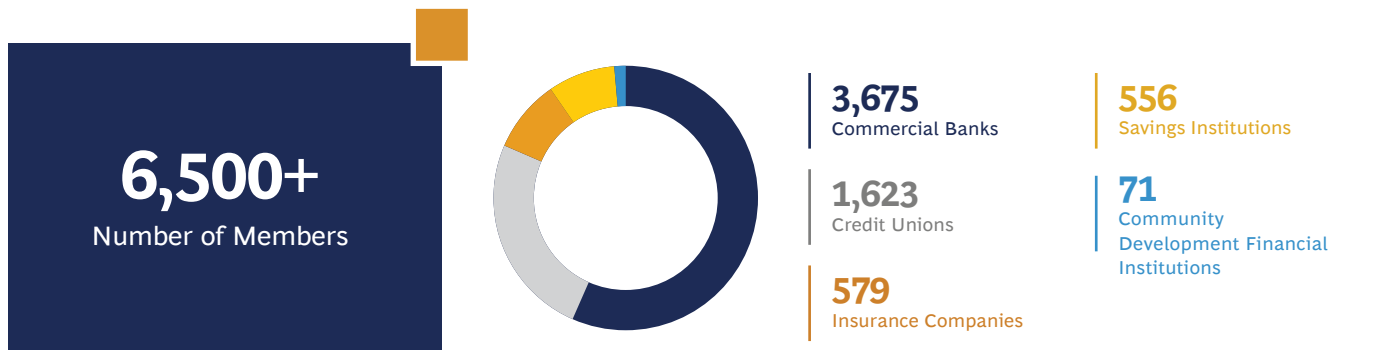
INTRODUCTION TO THE FEDERAL HOME LOAN BANKS

THE FHLBANKS' 2023 IMPACT AT A GLANCE

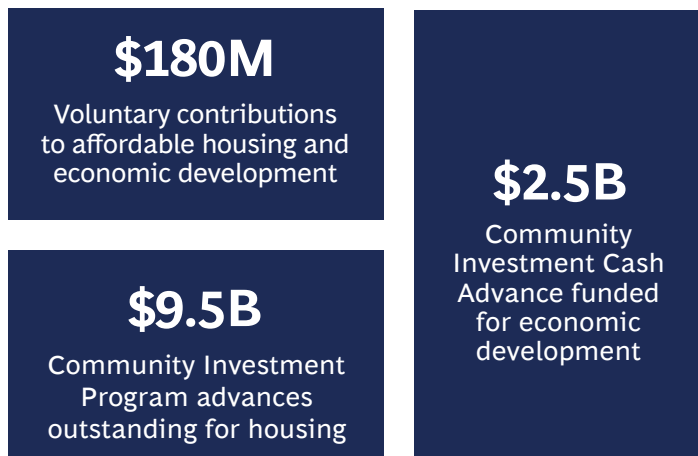
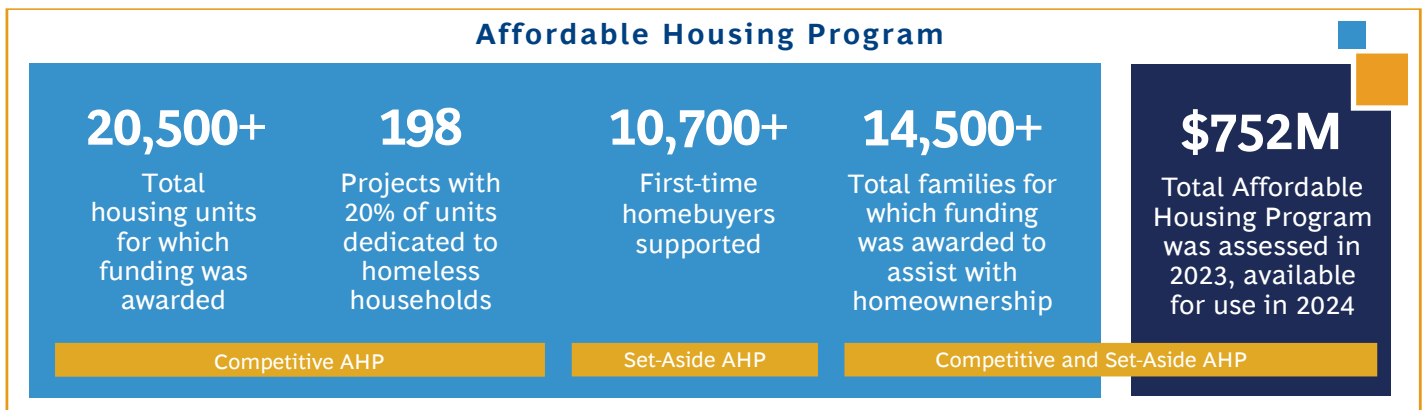
LIQUIDITY AND FUNDING FOR MEMBERS



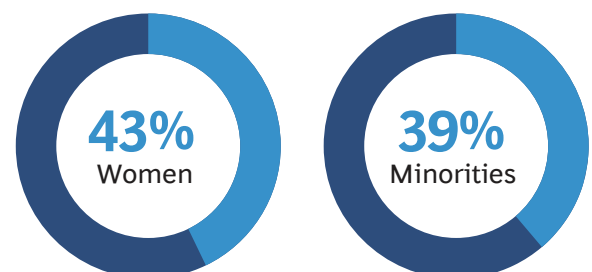
MEMBERSHIP



AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT



DIVERSITY AND INCLUSION IN WORKFORCE



THE FHLBANKS' HISTORY

Why the FHLBanks were Created: The Great Depression Era

The Wall Street crash in October 1929 forced millions of Americans to confront the frightening prospect of losing their jobs, life savings, and homes in a decade-long spiral of business closures, unemployment, banking failures, and mortgage foreclosures known as the Great Depression.

During this time, small lenders such as building and loan associations dominated the mortgage financing landscape. Most mortgages were short-term, often requiring repayment or refinancing of balloon payments within 10 years. Down payment requirements as high as half of a home's sale price were not uncommon, creating an insurmountable barrier for many aspiring homeowners.¹

Funding for mortgage loans came mostly from deposits supplied by local savers. As bank runs became more common as confidence collapsed and heavy mortgage foreclosures clogged the balance sheets of lenders, the limited sources of mortgage funding dried up.

These challenging conditions revealed a structural weakness in the American system of home loan finance, highlighting the urgent need for, among other improvements, a national solution to help stabilize, diversify, and increase funding sources for lenders given their critical role in providing Americans with access to mortgage credit and the importance of housing to the U.S. economy.

Transforming Homeownership and Banking

In response to the severe economic and financial conditions that occurred during the Great Depression, the Federal Home Loan Banks (the FHLBanks) were created through legislation passed by Congress and signed into law by then-President Herbert Hoover.² The Federal Home Loan Bank Act of 1932 steadied the supply of money available to home lenders, helping them to more consistently meet their communities' needs for mortgage financing.

As a result, home mortgage lenders had a new funding tool. They could harness the power, resources, and reliability of the FHLBanks to expand the availability of residential mortgage financing.

Providing liquidity and supporting housing affordability and community development is at the heart of the FHLBanks' mission. Since our creation, the FHLBanks' role in the U.S. financial system has evolved. In 1989, FHLBank membership was expanded to include commercial banks and credit unions, and the Affordable Housing Program (AHP) was introduced. In 2008, membership was further expanded to include community development financial institutions (CDFIs).

At the end of 2023, the homeownership rate in the U.S. stood at more than 65% – almost 20 percentage points higher than when the FHLBanks were created.³ And due to a number of factors, mortgage lending terms offered to U.S. consumers significantly improved over time. The repayment period for most mortgages has gradually lengthened to 30 years, with an average down payment of 15% to 20% – and lower for some borrowers – helping more Americans achieve homeownership.

The FHLBanks Today

In contrast to many countries around the world that operate with a handful of large banks, the U.S. has a unique and comparably vast and decentralized financial system, with thousands of banks, credit unions, and other lenders of varied sizes operating across the country. Americans are fortunate to have many choices in how they access banking services, and the FHLBanks are uniquely designed to support the expansive U.S. banking system. The 11 FHLBanks each serve a defined region of the U.S. This regional and decentralized organizational structure reflects the U.S. banking system itself, enabling the FHLBanks to build strong relationships with our more than 6,500 members across the country and be responsive to local community needs.

\$1.3T

Combined assets at December 31, 2023.⁴

Total number of employees.⁵

3,420

THE FHLBANKS THROUGH THE DECADES: MILESTONES

2023



Homeownership rate is more than **65%**, an almost **20 percentage points increase since 1932.**

AFFORDABLE HOUSING PROGRAM

The FHLBanks committed to increase contributions to voluntary programs to go further in helping meet communities' needs.

MARCH 2023 – REGIONAL BANKING TURMOIL

When the banking sector faced significant volatility, the FHLBanks quickly stepped up, providing liquidity.

\$8B

Contributed to AHP since 1990.⁹

2015

Membership eligibility expanded to include state chartered, non-federally-insured credit unions.

1989



AFFORDABLE HOUSING PROGRAM

Created By Congress

Since its creation in 1989, the FHLBanks' AHP has been a substantial and valuable source of real estate equity for the financing of affordable housing in the U.S.

Membership eligibility expanded to include federally insured commercial banks and credit unions.

2020



COVID-19 PANDEMIC

2007-2010



2007-2010 SUBPRIME MORTGAGE TURMOIL, GLOBAL FINANCIAL CRISIS, & THE GREAT RECESSION

Federal Housing Finance Agency established by Housing and Economic Recovery Act of 2008.

Between 2007 and 2010, there were approximately 3.8 million foreclosures.¹¹

Membership eligibility expanded to include CDFIs.

RECESSIONS OF THE 1970s-1980s



STAGFLATION, OIL EMBARGO, FED'S INTEREST RATE BATTLE

1980-1995



SAVINGS AND LOAN CRISIS

Failure of over 2,900 banks and thrifts with collective assets of more than \$2.2T.¹⁰

1932



THE FHLBANKS CREATED BY CONGRESS

At inception, FHLBank membership generally included only savings and loan institutions (thrifts) and insurance companies.

1946-1975



POST WAR HOUSING BOOM

1929-1939

1925



*"The present large proportion of families that own their own homes is both the foundation of a sound economic and social system and a guarantee that our society will continue to develop rationally as changing conditions demand."*⁸

Herbert Hoover, U.S. President (1929-1933)

THE GREAT DEPRESSION



25% of America's home mortgage debt was in default.⁶

Fewer than half of Americans owned their homes.⁷

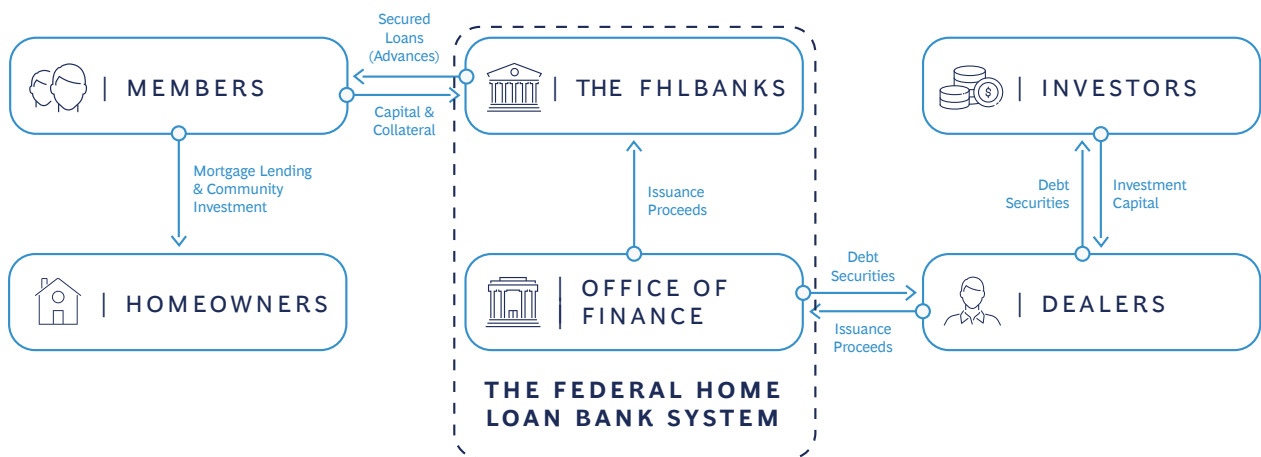
OUR OPERATIONS

How the FHLBanks Provide Funding to the U.S. Financial System

As congressionally chartered, privately capitalized member-owned cooperatives, the FHLBanks source the funding we provide to members from investors in the global capital markets. The FHLBanks Office of Finance (Office of Finance) issues debt securities (called consolidated obligations, or 'COs') on behalf of all the 11 FHLBanks, which are sold to investors through a broad network of financial market

We pass these lower costs through to our members, which empowers them to offer more attractive terms and pricing on mortgage loans to homebuyers. A recent University of Wisconsin study found that the FHLBanks save borrowers \$13 billion in mortgage interest payments every year, and led to a 16% increase in mortgage originations.¹² The 11 FHLBanks share joint and several liability for debt securities issued through the Office of Finance. This means all FHLBanks share responsibility to repay the debt in full to investors.

The FHLBanks Operational Structure¹³



broker-dealers. Buyers of our debt securities come from all over the world and include investment managers, state and local governments, corporations, foreign central banks, pension funds, and banks. Strong investor demand for the FHLBanks' COs has helped make the FHLBanks one of the largest and most well-recognized issuers of high-quality debt securities in the world. Due to our flexibility in utilizing various funding tools, in combination with a diverse investor base and our status as government sponsored enterprises (GSEs), the funding we raise through the sale of our debt securities generally carries a lower interest rate than similar debt securities issued by corporations including large banks.

In addition to this joint and several support, our status as GSEs, the significant level of capital contributed by our members, and the FHLBanks' robust credit underwriting and collateral standards provide strong protections to investors in our debt securities, which support the high credit rating and the lower cost of borrowing of the FHLBanks.

Overview of the Member Institutions and their Composition

The FHLBanks are cooperatives, which means our customers are also our owners. To become a member of an FHLBank, financial institutions must meet eligibility requirements, which include financial performance and creditworthiness standards. As a condition of membership, each FHLBank member must purchase and maintain capital stock in its FHLBank.¹⁴ The FHLBank stock is not traded publicly, has a par value of \$100 per share, and is owned exclusively by our members.

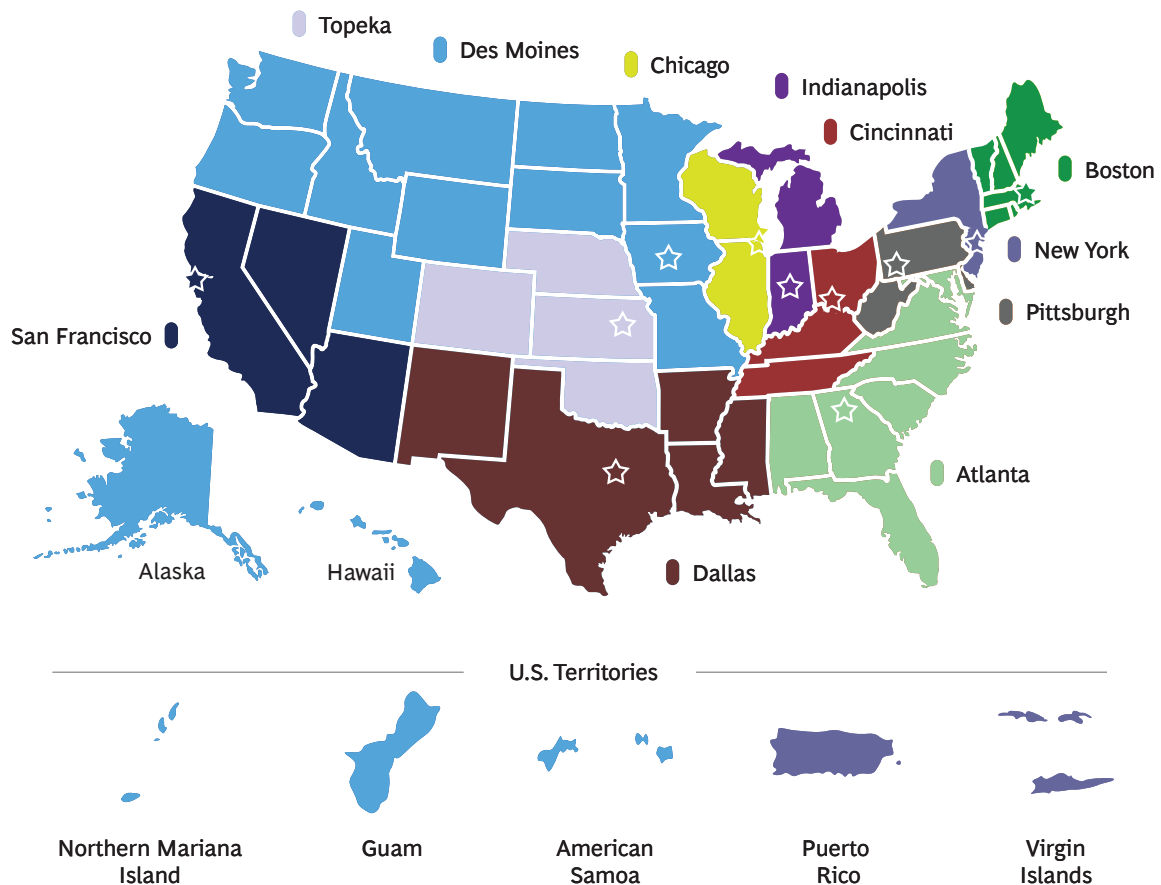
Additionally, members are required to capitalize (purchase and hold stock) to support the advances borrowed from their FHLBank. Capital requirements vary across the FHLBanks and the majority range from 4% to 5%, meaning that on average, members typically invest about \$4.50 in 'activity stock' for every \$100 borrowed from their FHLBank.

This dynamic, self-replenishing capital source helps to mitigate risk by ensuring members have ample 'skin in the game' at all times, meaning that the heaviest users of the FHLBanks provide the most capital, which expands and contracts as designed.

We invest our members' capital in safe and liquid assets, such as agency-guaranteed mortgage-backed securities (MBS), which are comprised of pools of individual mortgage loans.

These investments not only help to protect the \$100 per share par value of our members' capital stock, but also represent another channel by which we provide liquidity and support to the U.S. housing market.

11 FHLBank districts enable us to be responsive to the local needs of our more than 6,500 members and the communities they serve.¹⁵



OUR KEY PRODUCTS AND SERVICES

The mission of the FHLBanks is to provide reliable, stabilizing liquidity and grant funds to member institutions through all economic cycles, and to support housing and community development through our members. We deliver liquidity to members primarily by advancing funds (advances), and we offer a secondary market outlet for mortgage loans and issue letters of credit on behalf of members. The FHLBanks collectively represent a significant source of capital supporting the \$20 trillion U.S. mortgage market.¹⁶ In addition to \$2.6 trillion in mortgage-related collateral pledged by our members to secure advances and other credit products,¹⁷ on a combined basis we held \$180 billion of mortgage-related investments and \$61 billion of mortgage loans purchased from our members as of December 31, 2023.¹⁸ Additionally, the FHLBanks are one of the largest sources of private funding available to increase the supply of affordable housing in the U.S. We partner with our members through our Affordable Housing Program (AHP), Community Investment Cash Advance Programs, and additional district-specific programs to directly and positively impact local communities.

Liquidity Products

Advances

Advances are what we call the fully collateralized loans we make to members. Advances are backed primarily by loans secured by real estate. These are typically one- to four-family residential mortgage loans, along with other types of housing and real estate-related collateral such as mortgage-backed securities, commercial real estate loans, and U.S. government and agency securities.

72%

Percentage of housing-related collateral pledged to the FHLBanks.¹⁹

This strong link to housing helps our members provide funding for housing and economic development in their districts. In 2023, advances outstanding peaked at over \$1T, serving as an indispensable source of funding for our members throughout the U.S.²⁰

Buying Members' Mortgage Loans

Most FHLBanks operate mortgage purchase programs, first introduced in 1997, in which we directly purchase fixed-rate 15- to 30-year mortgages secured by one- to four-family residential properties from our members.²¹

These programs give our members another way to access liquidity, further enlarging the amount of funding available to provide mortgage loans to borrowers. They are designed such that FHLBanks share in the risks with the members who participate.

Among the participating FHLBanks, there are three mortgage purchase programs available: the Mortgage Purchase Program (MPP), the Mortgage Asset Program[®] (MAP[®]), and the Mortgage Partnership Finance[®] (MPF[®]) Program.²² These programs support local financial institutions, including small institutions that do not have access to other secondary market outlets, as well as larger lenders who seek a competitive alternative to existing secondary market mortgage liquidity channels.

Our mortgage purchase programs demonstrate our commitment to providing innovative solutions that support the liquidity, stability, and growth of member institutions and incentivize long-term risk management. Since we share the risks with our members, our programs are designed to reward long-term performance.

Mortgage loans held as of December 31, 2023, 5% of the FHLBanks' combined total assets.²³

\$61.3B

Letters of Credit

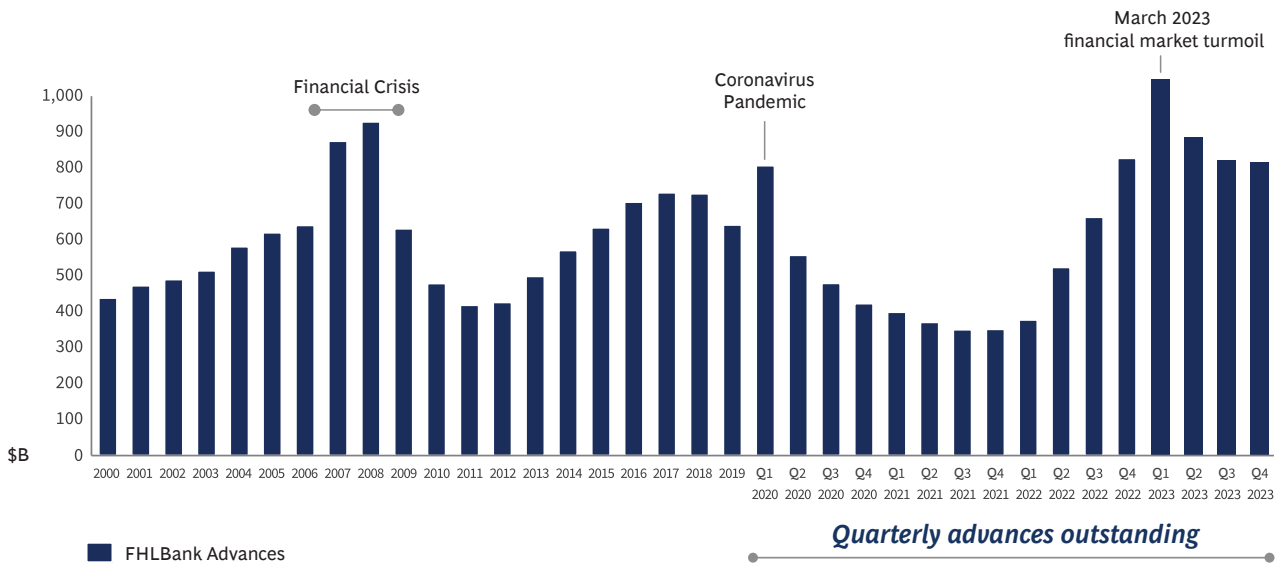
Letters of credit are contractual obligations issued by the FHLBanks on behalf of our members to support their obligations to beneficiaries. Because letters of credit are fully collateralized, an FHLBank may issue an advance to a member relying on that same collateral in the event of a draw. In the event of default, the beneficiary is promptly paid out by the respective FHLBank.

Letters of credit enable members to obtain additional liquidity and are commonly used to attract and retain municipal deposits. Each FHLBank can issue or confirm letters of credit for members to assist them with:

- 1 | residential housing finance
- 2 | community lending
- 3 | asset/liability management
- 4 | liquidity needs

As of December 31, 2023, the total notional amount of our outstanding letters of credit was \$203 billion.²⁴

Liquidity provided by the FHLBanks enables members to operate through crises.



OUR IMPACT

Affordable Housing and Community Development Programs

Affordable Housing Program

Affordable housing initiatives help alleviate the burden of high housing costs by providing stable and cost-effective living options that enable families to allocate more of their income towards essential needs. The AHP was created in 1989 as an element of the comprehensive federal regulatory response to the savings and loans crisis. By statute, the FHLBanks contribute a minimum of 10% of their annual income to AHP.²⁵ Members can use AHP funds for affordable housing development projects; AHP funds are provided to members who, in turn, provide such funds directly to households for the purchase, construction, and rehabilitation of owner-occupied and affordable rental housing for very low-, low-, or moderate-income households. AHP funds can be delivered in the form of grants or through subsidized advances.²⁶

Additionally, AHP can take the form of a discretionary homeownership set-aside program under which grants are provided to members, who then deliver benefits such as down payment, closing costs, counseling, or rehabilitation assistance to eligible recipients.²⁷

2023 income made available for AHP, for use in 2024.²⁸

\$752M

Voluntary Programs

The FHLBanks offer voluntary programs that are designed to meet the unique needs of each district. These programs support housing development, homeownership, small businesses, and disaster relief, among others. Voluntary programs have the flexibility to be created and deployed rapidly to respond to specific local needs and member feedback. This flexibility expands the reach of members beyond statutory programs. For instance, our voluntary homeownership programs enable us to reach underserved areas, such as assisting middle-income Americans in high-cost areas.

In this spirit, we annually support charitable organizations through various initiatives.

These include donations to food banks, home repair services for the elderly, support programs for veterans, and legal aid services. In 2023, in addition to statutory contributions, we expensed \$180 million in voluntary contributions to housing and community development programs.²⁹

The Community Investment Program and the Community Investment Cash Advance Programs

In addition to statutory AHP and voluntary contributions, we offer our members discounted advances through two programs: the Community Investment Program (CIP) and the Community Investment Cash Advance Programs (CICA).³⁰

CIP finances housing for vulnerable populations.^{31,32} We offer funding to members at a rate no higher than our cost of funds plus reasonable administrative costs. An FHLBank may, at its discretion, require a member to pass any interest discount through to borrowers. Examples of CIP advance uses are converting commercial buildings into low-income rentals, developing condominiums for underserved senior citizens, and creating living centers for at-risk veterans, and other projects.

As of December 31, 2023, the FHLBanks' CIP advances **outstanding** for housing projects.³³

\$9.5B

CICA generally finances economic development projects such as commercial, industrial, manufacturing, social services, and public facilities.³⁴ Lending is targeted by geography, population, or small business status. Members can finance these projects through direct loan originations, through loan participations (multi-lender loans), by lending to other lenders for eligible purposes, or by purchasing eligible mortgage-backed securities, mortgage revenue bonds, and low-income housing tax credits.

\$2.5B

In 2023, the FHLBanks **funded** CICA advances for programs designed to **retain or create jobs**, or improve the economic status of communities.³⁵



IMPACT OF THE FEDERAL HOME LOAN BANKS

DRIVING IMPACT GUIDED BY OUR MISSION

Mission

Provide reliable liquidity to member institutions to support housing finance and community investment

Borrowers and Homeowners
(through our members large and small)

Financial System and Members

Communities
(through our members large and small)



Helping Address Housing Needs



Serving Borrowers and Homeowners



Providing Member Liquidity and Reliable Funding



Strengthening Local Economies



Supporting Social and Environmental Outcomes

Foundational Principles

Commitment to Diversity and Inclusion:

D&I efforts, inclusive culture for employees, members, borrowers, business partners and industry (e.g., development opportunities, diverse vendors)

Strong Risk Management and Governance:

Multi-layered governance structures, robust data security, business ethics and risk management policies, FHFA oversight

1 PROVIDING MEMBER LIQUIDITY AND RELIABLE FUNDING

In addition to our core mission of supporting housing finance, the liquidity provided by the FHLBanks helps maintain the resiliency and stability of the U.S. financial system. Our effectiveness at connecting our members with the capital markets supports financial market stability and thus has a powerful and far-reaching positive impact. Since our inception, we have fulfilled our mission to provide reliable liquidity to our members so they can support housing and community investment in all economic cycles and market conditions.

Financing in All Economic Conditions

By connecting our members to the global capital markets, we help them consistently meet the financing needs of their customers. The FHLBanks are dynamic through the self-capitalizing nature of member advance activity in which members are required to contribute capital to support the advances made available from their FHLBank. The size and activities of the FHLBank System expand and contract as the needs of our members change, and this design feature allows us to grow quickly when necessary.

Because we provide member institutions with ready access to advances, they can confidently support the borrowing needs of their customers, which in turn helps support economic growth and prosperity in communities. This includes homeowners' access to competitively priced fixed-rate mortgages (such as the popular 30-year, fixed-rate mortgage, as well as broadens access to credit that supports job creation and economic growth.

Our status as GSEs – in combination with our strong asset quality, prudent risk management, and deep access to financial markets – enables us to source capital from institutional investors at a narrow spread over comparable U.S. Treasury securities. We pass these cost savings to our members, connecting the global capital markets to the delivery of mortgage credit to American homeowners.

Our liquidity products help members manage the day-to-day fluctuations and gaps in their core funding sources such as deposits.

Additionally, the low-cost, durable wholesale financing we provide serves as a countercyclical stabilizing force for the banking industry and financial system at large, particularly during periods of elevated market stress, helping to bolster confidence in the U.S. banking system.

“ Without the FHLBanks, these downturns in the economic cycle would have been significantly more painful, with greater swings in the cost and availability of credit, exacting greater damage on the economy. ”

Urban Institute

The FHLBanks have stood with our members through the ups and downs of financial markets and have dutifully risen to the challenge many times throughout major U.S. financial crises. This includes serving as a significant source of liquidity during the Great Financial Crisis in 2008 and increasing outstanding member advances by 25% at the onset of the COVID-19 pandemic in early 2020.³⁶ The importance of our liquidity mission was highlighted most recently during the market upheaval of March 2023. As the banking sector faced significant volatility, and commercial lenders reduced credit availability by approximately \$238 billion, the FHLBanks quickly responded, providing essential liquidity to fill this gap.³⁷

During the week of March 13, 2023, we raised more than \$300 billion of financing to support our members as some regional banks experienced stress.³⁸ Advances as of March 31, 2023 were over \$1 trillion.

Advances and COs as of March 31, 2023.³⁹

Advances outstanding		\$1,045B
COs outstanding		\$1,459B

During this challenging time, we once again demonstrated that when market difficulties arise, our members can count on their FHLBank to be a strategic and trusted partner to help weather the storm so they can continue to support their customers and communities.

MEMBER QUOTE: First United Bank (FHLBank Atlanta)

We have utilized advances at various times depending on the rate environment we are in. Most recently in March of 2023, we went to FHLBank Atlanta for two advances, and within a short amount of time, we were able to have this additional funding on the books for contingency purposes. We value the relationship we have with FHLBank Atlanta and know we can count on them in times of need.

Tonya Sturm, Chief Financial Officer, First United Bank

In addition to working closely with our regulator, the Federal Housing Finance Agency (FHFA), the FHLBanks regularly coordinate with other financial market regulators, including the federal and state agencies that oversee our members. We are continually improving our operational practices, including assessing how we monitor members' creditworthiness and how we work constructively with industry regulators to support the safety and stability of the U.S. financial system. The FHLBanks regularly coordinate with the Federal Reserve Banks on credit and collateral issues affecting their members – for example, improving processes for the transfer of collateral between the institutions, executing appropriate legal documentation, and conducting practice simulations to help members access credit across institutions.

Providing Market Access for Lenders of All Sizes

The FHLBanks are trusted partners to member institutions of all types and sizes, and are a sole link to the capital markets for smaller lenders – many of which do not have the scale to directly access the capital markets.

MEMBER QUOTE: Tidemark Federal Credit Union (FHLBank Pittsburgh)

We joined FHLBank Pittsburgh in 2018 primarily for them to serve as a source of contingent liquidity. In March of 2023, during the time of unique market stress, we took down our first borrowing. The process was straightforward and enabled us to quickly meet our funding needs.

Pamela Fleurette, Chief Executive Officer, Tidemark Federal Credit Union

In addition to advances, our members benefit from having convenient and affordable access to wire transfer, security safekeeping, and settlement services. Our members also rely on our shared knowledge, resources, and market position to learn and adopt industry best practices.

The liquidity and financing we provide complement and support the unique structure of the U.S. financial system, in which thousands of community lenders co-exist alongside larger regional and national institutions. The majority of our members have less than \$10 billion of assets, including many small lenders serving rural and historically underbanked communities.⁴⁰

Without access to our financing, many of these institutions might have to curtail local lending activity and would be more vulnerable to macro-economic and financial market shocks. While large institutions place a high value on their FHLBank access to help them manage liquidity risk and support investment strategies, as a cooperative we have an ability to deliver customized and unique financing solutions to small and mid-sized members, helping them to thrive and scale their businesses in the highly competitive banking market.

CASE STUDY: Supporting single-family home lending activity (FHLBank Dallas)

In 2023, FHLBank Dallas developed the Community Development Special Finance Program pilot to support single-family housing lending, particularly through CDFIs looking to lend money in economically distressed communities.

Through the pilot, FHLBank Dallas provides a more favorable haircut to members who pledge single-family residential loans to certain income-qualified borrowers. Participants in the pilot receive the benefit of a reduced collateral haircut (12 percentage points) for qualifying mortgage loans. The goal of this pilot is to reward and incentivize eligible members' lending to low- to medium-income borrowers and communities with the reduced haircut.

The program has an initial six-month term. FHLBank Dallas has dedicated \$150 million of the total collateral capacity to CDFI members, and \$50 million to non-CDFI members. After six months, any remaining lending capacity will be available to all members in the district.

The cooperative structure and regional design of the FHLBanks enable us to respond to local needs and develop products and services that are tailored to unique local challenges.

For example, we have a diverse range of CDFI members, and we are collectively committed to increasing our support for non-depository CDFIs, which play an important role in providing credit to low-income and economically distressed communities. From 2018 to 2023, the number of CDFI members grew by 18%.⁴¹ We will continue to look for opportunities to engage with and grow our impact on our non-depository CDFI members in a safe and sound manner.

MEMBER QUOTE: Heartland State Bank (FHLBank Des Moines)

Heartland State Bank is an agriculture bank. FHLBank Des Moines plays a pivotal role in our ability to support agriculture customers. We frequently use FHLBank Des Moines advances to offer longer-term, fixed-rate loans for land expansion, new shops, or equipment upgrades. FHLBank Des Moines is one of the primary tools in our toolbox to give Heartland State Bank the confidence to keep lending. FHLBank Des Moines has always been there for us and without access to the liquidity, it would be very difficult to continue doing what we are doing. In turn, our agriculture customers would end up with higher rates and, in some cases, making the loan and farm improvements out of reach.

Our membership in FHLBank System brings the national financial system to the main street level. While we are not at the top of the list for advances in terms of dollars borrowed, the value of each dollar to our community is incredibly impactful and hard to quantify. FHLBank Des Moines keeps loan pricing fair for our customers and ensures community banks can keep their doors open in rural areas.

Paul Domke, President and CEO, Heartland State Bank



2 HELPING ADDRESS HOUSING NEEDS

Homeownership provides a pathway to long-term financial security, and responsible homeownership provides individuals and families with a long-term investment that contributes to financial stability.

15% to 20%

In general, FHLBank members lend more when compared to non-members.

The earlier-referenced University of Wisconsin study revealed that institutions that are members of an FHLBank increase their mortgage lending by an estimated 15% to 20% and offer mortgages with approximately one-fifth of a percentage point lower interest rate, once they become FHLBank members. As a result of the FHLBank System, nationwide, financial institutions lend approximately \$130 billion in additional mortgages and save borrowers approximately \$13 billion in interest payments per year due to our lower cost of funding.⁴²

Support for 30-year Fixed-Rate Mortgages

The 30-year fixed-rate home mortgage is a fixture of the U.S. housing market and has helped many homeowners reduce the uncertainty of fluctuating interest rates. When interest rates rise – as they have during the past year – the fully-amortizing, level payment, fixed-rate mortgage shields homeowners from higher monthly payments, helping protect families’ budgets.

Alongside other GSEs, the FHLBanks were a significant influence in the creation of the 30-year fixed-rate mortgage loan. The 30-year fixed-rate mortgage is currently the most common type of mortgage loan in the U.S. and is an important consumer finance tool.

We promote the availability of the 30-year fixed-rate mortgage by accepting both whole loans and mortgage-backed securities backed by pools of individual fixed-rate loans as collateral for advances, and by purchasing members’ loans. This increases the availability of these loans to consumers and helps members manage the inherent risk in holding long-term, fixed-rate assets. Both pledging loans as collateral for FHLBank advances and selling mortgage loans outright generate liquidity, which members can extend to consumers in the form of mortgage credit, helping to expand homeownership.



Monique (middle) secured her family’s first home by working with her lender, First Commonwealth Bank, and by using FHLBank Pittsburgh’s First Front Door program which provided down payment and closing cost assistance.

We also help support the availability of another common type of mortgage – the adjustable-rate mortgage (ARM) – by accepting ARMs as collateral for advances. Borrowers may select ARMs based on personal preference and costs. While ARMs generally, but not always, carry lower interest rates than fixed-rate mortgages, monthly payments on ARMs are subject to fluctuation with market interest rates.

Since many of the financial risks associated with mortgage lending are transferred to third parties such as GSEs and investors, most U.S. mortgages – regardless of whether they are fixed-rate or adjustable-rate – offer credit-worthy homeowners the option to refinance penalty-free should interest rates fall. Additionally, standardization of a 30-year repayment term for most home purchase loans helps to further make the cost of homeownership more manageable by spreading the cost of the loan over a longer period of time.

We accept a wide variety of housing and real estate collateral from members, including fixed- and adjustable-rate mortgages, home equity lines of credit, and MBS. Supporting mortgage market liquidity and promoting greater affordability demonstrates how we strongly benefit housing.

Insurance Company Members

The role insurance companies play in U.S. housing finance has evolved since the early 1930s, and today our insurance company members' involvement in the housing market occurs principally through their investment activities in housing related assets. Insurance company members hold significant amounts of both single-family and multifamily MBS, as well make as direct investment in loans.

High costs and restrictive covenants associated with some market funding sources require many insurance companies to hold large amounts of balance sheet liquidity, which can constrain their ability to increase their housing market investments. FHLBank membership provides insurance companies with a solution to this challenge by offering a flexible, reliable, and cost-effective alternative source of liquidity that can be used to support investment in mortgage securities and loans. Funding Agreements with the FHLBanks, for example, can be used by insurance companies for several purposes, including enhancing liquidity, meeting operational needs, and improving asset-liability matching.

Many property and casualty insurers are also FHLBank members. In addition to investing in housing-related assets, these companies provide risk transfer products in both the residential and commercial markets such as property, mortgage, and title insurance. These important services facilitate consumer access to mortgage credit, helping to increase overall community and economic growth.

Buying Members' Mortgage Loans

In addition to lending to member banks against mortgage loans and MBS, the FHLBanks directly support the mortgage market by purchasing 15- and 30-year fixed-rate mortgages, secured by one- to four-family residential properties. Sale of these loans by members to their FHLBanks helps replenish the supply of liquidity and frees up their balance sheets, enabling them to increase their lending capacity.

Despite total mortgage origination declining \$875 billion (more than a third) from 2022 to 2023,⁴³ FHLBank mortgage purchase activity increased by 9%, demonstrating the importance of our role in the housing finance and the attractiveness of our mortgage purchase programs.⁴⁴

VOICE OF MEMBERS: Creating opportunities through buying members' mortgage loans



MPF Program keeps us competitive in the markets we serve through their unique mortgage products. The fact that we are able to retain servicing is an important feature that allows us to keep that 'small town bank' feel as we continue to develop customer relationships.

*Joni Jorgenson, Western Nebraska Bank
(FHLBank Topeka member)*

Our decision to partner with the MPF Program was based on the continued desire to expand the mortgage products and services within the communities we serve. The MPF Traditional products offer same-day delivery and funding coupled with the ability to generate additional revenue streams through the risk-sharing structures. Using the MPF Program we have increased our market share and broadened our mortgage offerings.

*Jerry Seman, Jersey Shore State Bank
(FHLBank Pittsburgh member)*

Utilizing FHLBank Cincinnati's MPP allows FCB to bring community banking to the secondary market lending experience. A local voice for the borrower and an additional income stream for the bank is a win-win for all parties!

*Bruce Kimbell, First Community Bank of the Heartland
(FHLBank Cincinnati member)*

FHLBank Indianapolis's MPP plays a pivotal role in helping First Merchants fulfill its commitment to enhancing the financial wellness of the diverse communities we serve. Through this program, we're able to access vital resources and support that empower us to make a meaningful impact. Together with FHLBank Indianapolis, we're not only driving economic growth but also fostering financial empowerment and equality across our footprint.

*Eric Brennan, First Merchants Corporation
(FHLBank Indianapolis member)*



3 SERVING BORROWERS AND HOMEOWNERS

Why Affordability Matters

Buying a home is often the largest purchase most Americans make. Homeownership has long been seen as a symbol of achievement, sacrifice, prosperity, and stability, serving as an important financial milestone. A home is more than a shelter – it epitomizes the American dream, offering borrowers a profound sense of ownership, personal responsibility, privacy, freedom, and autonomy, establishing a foundation for intergenerational wealth creation,⁴⁵ and contributing to economic security, health, and well-being.⁴⁶

The decision to purchase a home often comes with short-term sacrifice but offers many long-term benefits. Homeownership creates a stable place for families to grow as they build equity over time.

While the benefits of homeownership are vast, the availability and affordability of housing remains a challenge, particularly for first-time homebuyers. About 7 in 10 Americans believe young adults today have a harder time than previous generations when it comes to buying a home, due to factors like student loan debt and increasing housing costs.⁴⁷ With median income not keeping pace with the increase in housing costs,⁴⁸ inflation making everyday necessities more expensive, and urban rental prices climbing 18% during the last 5 years,⁴⁹ saving for a down payment has become an increasingly difficult task, threatening to put homeownership beyond the reach of many.

Home purchases surged in the wave of low interest rates during the COVID-19 pandemic.⁵⁰ Combined with a decades-long stall of housing construction,⁵¹ the supply of available housing is below what's needed to meet demand.⁵² With mortgage rates at a 20-year high, many homeowners have decided to remain in their homes rather than upsizing or downsizing, which further compounds the current supply shortage, representing another example of the many factors that are hindering Americans from becoming homeowners.

Nearly one-third of all U.S. households are cost-burdened, meaning they pay more than one-third of their income for housing – the highest rate since 2015.⁵³

For these families, events like the loss of a job, illness, or unexpected major expenses can result in foreclosure or eviction. Access to affordable rental housing helps mitigate these risks.

The positive impact of affordable housing availability extends beyond individual owners and renters. When families are able to spend less than 30% of their wages on housing, they can more easily purchase basic necessities such as food, insurance, and healthcare, and make investments in education.

The increased consumer spending boosts local economies and can help revitalize communities.⁵⁴ Communities that invest in affordable housing help create long-term employment opportunities, in addition to providing stability.⁵⁵

The FHLBanks are deeply committed to supporting affordable housing and are one of the largest sources of private funding available to increase the supply of affordable housing in the U.S. We are a central connector in the affordable housing ecosystem, supporting our members' efforts toward the construction, rehabilitation, and preservation of affordable housing.

Our affordable housing programs help Americans afford a down payment, prepare for homeownership, and cover the cost of repairing and rehabilitating homes. Through these actions, we contribute to achieving and maintaining homeownership.

The Affordable Housing Program

The Affordable Housing Program provides grants and loans to support the rehabilitation, development, and acquisition of affordable housing, ultimately helping underserved Americans looking to either rent or buy a home, as well as those who need additional assistance with the costs of homeownership. We design these programs to serve the most vulnerable populations within our districts, including low-income households, individuals with special needs, and people experiencing homelessness.⁵⁶

\$355M

Affordable Housing Program was assessed in 2022, available for use in 2023.

Based on 2022 income, the FHLBanks were assessed \$355 million of funding for affordable housing in 2022 to be awarded through AHP in 2023,⁵⁷ awarding funding to assist more than 14,500 families with homeownership.⁵⁸ In 2023, the competitive AHP awarded funding to create more than 20,500 housing units, 77% of which were dedicated to multifamily projects, including 198 projects that have 20% of units dedicated to homeless families and individuals.⁵⁹ In 2023, through our homeownership set-aside programs, we also supported more than 10,700 first-time homebuyers.⁶⁰ Looking ahead, our 2023 income has made available \$752 million for AHP in 2024 to either help create affordable units or help with the cost of homeownership.⁶¹

VOICE OF STAKEHOLDER: Affordable housing developer Francis Vargas (FHLBank Pittsburgh)

Support through AHP is particularly important when rising interest rates increase the cost of financing for both homebuyers and developers, and inflation hits construction costs. Francis Vargas, an affordable housing developer and member of FHLBank Pittsburgh's Affordable Housing Advisory Council, emphasized that the AHP becomes even more important as development costs are close to double what they were several years ago.

"There continues to be a growing need for affordable housing. We can't keep up with the need, and the costs that have gone up in the development world are just astronomical," Vargas shared. "AHP is an important program. A lot of folks turn to the FHLBanks as a vital resource to make affordable housing developments happen."

10,700+

First-time homebuyers supported by AHP set-aside program in 2023.



CASE STUDY: \$4.8 million in awards to help address affordable housing in Nevada (FHLBank San Francisco)

A first-of-its-kind FHLBank program, the Nevada Targeted Fund is an important part of FHLBank San Francisco's Affordable Housing Program, singularly focused on addressing the critical shortage of affordable housing in the state. Nevada faces significant affordability challenges, topping the list of states with the highest percentage of extremely low-income households who are severely cost-burdened, earning 0% to 30% of the area median income and spending more than 50% of income on housing costs. The Nevada Targeted Fund supports the development and rehabilitation of housing, serving these and other low-income populations and helping provide vulnerable families and individuals with secure long-term housing.

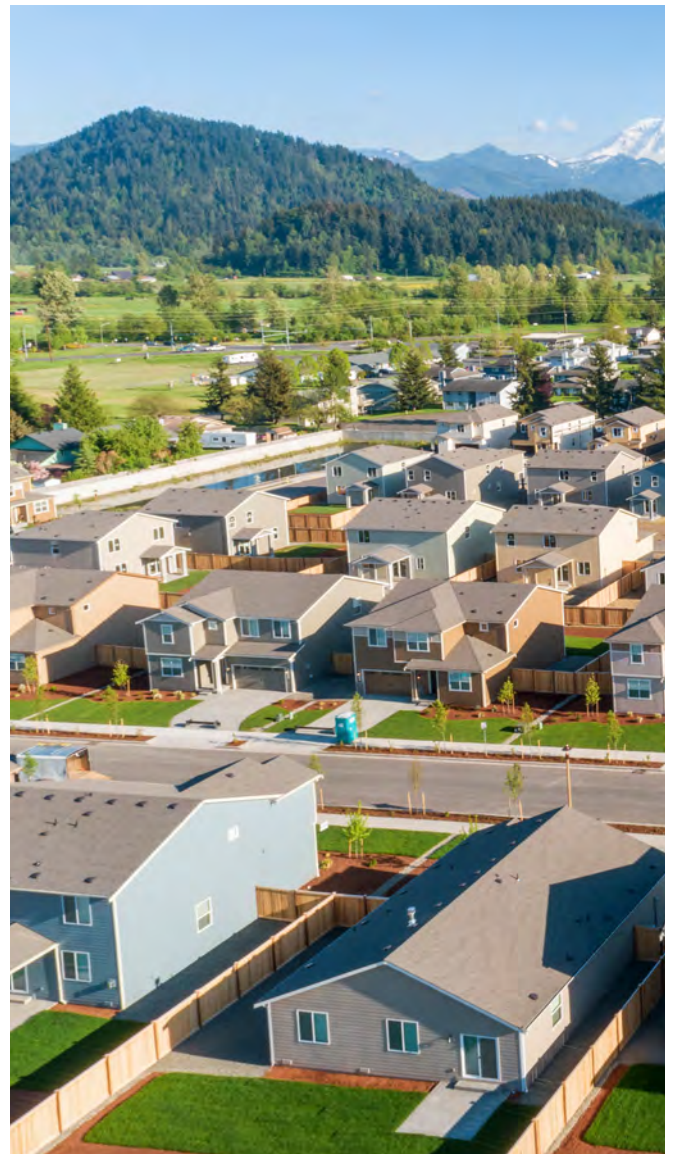
Projects that were awarded grants in the 2023 AHP Nevada Targeted Fund competition include new construction of senior apartments in Reno and Las Vegas, lease-to-own homes on Washoe Tribal Trust Land near Carson City, and the rehabilitation of a public housing development in Las Vegas.

Through our AHP Homeownership Set-Aside Programs, our members receive grants and then deliver benefits such as down payment, closing costs, counseling, or rehabilitation assistance to eligible recipients. Examples of these programs include:

Down Payment Assistance (DPA): Saving enough money for a down payment is often difficult for households with low- and moderate-incomes. DPA turns homeownership from a seemingly impossible dream into an achievable reality.

Homeownership Counseling: As part of DPA, some FHLBanks fund grants to housing counseling agencies to help low- and moderate-income mortgage recipients prepare for the responsibilities of homeownership. The counseling agencies help borrowers better understand the home-buying process and learn how to deal with unexpected emergencies so they can avoid defaulting on their mortgage loans.

Rehabilitation and Disaster Relief Support: The FHLBanks can establish programs to meet specific communities' needs, including providing funding for the repair of owner-occupied houses. The FHLBanks run targeted programs supporting home rehabilitation for special needs households, individuals in disaster areas, or homeowners who are part of federally recognized tribes. Repairs can include replacing floors and appliances, fixing roofs, or making a residence Americans with Disabilities Act compliant.⁶²



Voluntary Programs to Support Housing and Community Investment

In addition to statutory AHP programs, the FHLBanks also make voluntary contributions to support affordable housing and community development. In 2023, we expensed \$180 million in voluntary contributions to housing and community investment programs.⁶³

This voluntary funding allows us to flexibly respond to the specific needs in local areas – such as supporting Native American housing and lowering the burden of down payments in high-cost areas.

FHLBanks work with members and non-profit organizations along with government agencies to prevent and reduce homelessness. In 2023, Special Purpose Credit Programs (SPCP) were made available by some FHLBanks, which allow creditors to help meet special social needs, including for the benefit of underserved groups. Our funding can lead to innovative housing solutions that may otherwise be overlooked by traditional funding mechanisms.

We are proud of the support we provide but recognize the need to do more for affordable housing and community development. That is why, in 2023, we committed to increase our contribution to 50% above statutory AHP levels – helping many more renters, homeowners, businesses, and community organizations across the country.

Housing units supported
by CIP funding
committed in 2023.

37,000

Community Investment Program

The Community Investment Program supports housing finance for households with incomes up to 115% of area median income. As of December 31, 2023, the FHLBanks had \$9.5 billion of CIP advances outstanding for housing,⁶⁴ with \$4.9 billion committed in 2023, contributing to the creation or retention of more than 37,000 housing units, 70% of which are owner-occupied.⁶⁵

CASE STUDY: Lift Up Homeownership SPCP (FHLBank Boston)

Launched on June 1, 2023, Lift Up Homeownership is a Special Purpose Credit Program designed to support people of color earning up to 120% of the area median income who are first-time homebuyers. FHLBank Boston members approved to participate in the program, like Eastern Bank, are awarded down payment and closing-cost assistance grants of up to \$50,000 to be disbursed to eligible homebuyers.

The program mitigates key obstacles that people of color face when it comes to purchasing a home, particularly insufficient cash reserves and funds for down payments, with the goal of alleviating the racial wealth gap that persists in New England communities. Arlinda Tavares, her husband Julio and their 8-year-old daughter were among the 51 households purchasing a home of their own through the support of Lift Up Homeownership in 2023.



Arlinda Tavares and her husband Julio outside of their Randolph home that they purchased using a \$50,000 grant through FHLBank Boston's Lift Up Homeownership.

CASE STUDY: KeyBank extends funding for low-income housing rehabilitation (FHLBank Cincinnati)

Both the City of Buffalo and Erie County, New York report a significant shortage of affordable housing units – but more specifically for special needs populations and seniors. In December 2023, KeyBank sought to address this challenge by restoring the Francis John Apartments and Frederick Douglass Towers, two buildings that serve senior citizens who earn at or below 50% of the area median income.

Thanks to a \$22 million letter of credit backed by FHLBank Cincinnati, KeyBank secured project funding for the acquisition and rehabilitation of these buildings.



Francis John Apartments and Frederick Douglass Towers in Buffalo, New York before rehabilitation.

The project will revamp the existing apartment complex to preserve 174 units of affordable rental housing for this population while maintaining a 66% occupancy rate. The scope of the project includes replacement of the current gas-fired heat and water system with one that is built for climate resiliency and energy efficiency. This apartment rehabilitation project will be a step towards addressing the significant shortage of affordable housing, especially for senior citizens, in the City of Buffalo.



4 STRENGTHENING LOCAL ECONOMIES

In addition to ready access to affordable housing, it is important for communities to build strong local economies and help create jobs. That is why supporting community development is a key part of our mission. We fulfill this by providing low-cost advances for community lending and funding voluntary programs in support of local businesses.

Supporting Community Development with Community Investment Cash Advance Programs

Through our Community Investment Cash Advance Programs, the FHLBanks provide members low-cost financing in support of economic development activities. Members in turn provide much-needed capital for infrastructure and a broad range of businesses in under-resourced communities.

This capital can help purchase and refurbish buildings for small businesses, help farms and other small businesses purchase equipment, support hospital expansion and improvement, reconstruct roads, and make environmentally-friendly retrofits to homes and businesses.

In 2023, the FHLBanks funded \$2.5 billion in CICA economic development advances.⁶⁶

*CICA Programs funds were committed to help businesses **create and preserve over 10,000 jobs in 2023**, to develop careers, and for economic well-being.⁶⁷*



FHLBank Topeka members and employees, including President and CEO Jeff Kuzbel (far right), kick off the 2023 Annual Management Conference, which included discussions on strengthening local economies, with an energy-driving activity.

CASE STUDY: Empowering our members to strengthen their communities (FHLBank Chicago)

Lawndale Christian Development Corporation (LCDC) was established in 1987 to address health and wealth disparities in the North Lawndale neighborhood of Chicago. Since then, LCDC has completed \$120 million of building rehabilitation and construction, adding 500 units of affordable housing to the neighborhood. Its partnership with FHLBank Chicago member First Eagle Bank is contributing to their growing success.

First Eagle Bank helped LCDC apply for a \$220,700 grant through FHLBank Chicago's Community First® Diverse Developer Initiative, enabling LCDC to provide compensation and training for two fellows working directly to support the shared commitment to affordable housing.

"Our goal is to build 1,000 homes for working people on the West and South sides of Chicago. It's an ambitious goal, and we need more staff to help us achieve it," says Richard Townsell, Executive Director of LCDC.

"This support from FHLBank Chicago and First Eagle Bank will help us build a more well-rounded team that can carry out our mission."

First Eagle Bank has also been pre-approved to use FHLBank Chicago's Community Small Business Advance to fund a loan that LCDC will leverage to rehab two properties in North Lawndale. Upon completion, the homes will be sold to low- to moderate-income homebuyers at affordable rates.

"Recently, we've been seeing the effect of rising interest rates on small businesses and their ability to qualify for loans at the amount they need," says Michal Kornecki, Commercial Banking Officer, First Eagle Bank. "The Community Small Business Advance program is a real game-changer for our small businesses and local community partners because it gives them access to the low-cost capital they need to run and grow their operations."



Lawndale Christian Development Corporation receiving Community First Diverse Developer Initiative grant check alongside member First Eagle Bank.

Voluntary Programs to Support Local Development

Along with our statutory contributions, we provide voluntary and charitable contributions to promote local development, with grants for commercial property purchases, workforce development, and other programs that help businesses and communities grow. In addition to stimulating job creation, the FHLBanks and our members can help revitalize communities by encouraging the rehabilitation of community and commercial spaces so they can become thriving centers of local life.

CASE STUDY: \$4 million in economic development grants for California, Arizona, and Nevada (FHLBank San Francisco)

FHLBank San Francisco allocated \$4 million for the Access to Housing and Economic Assistance for Development (AHEAD) economic development grant program to award grants of up to \$100,000 to nonprofits and other community organizations working to create economic opportunities for underserved communities in California, Arizona, and Nevada. The 2023 contributions represent a 160% increase from the 2022 grant program, delivering \$2.5 million more than in 2022.

AHEAD grants are awarded through a competitive application process. FHLBank San Francisco members deliver the grants to local nonprofits and community organizations that serve low- and moderate-income communities. These organizations help to create and preserve jobs, conduct job training and education programs, and support small businesses and low-income entrepreneurs. Grants can also go to expanding social service programs for at-risk youth, veterans, people with disabilities, the formerly incarcerated, and others in need of support.

A recent grant recipient is [Honey Art Studio](#), which encourages Black youth and young adults in the Fillmore neighborhood of San Francisco to explore their creative sides. Through CDFI member Community Vision Capital & Consulting, FHLBank San Francisco delivered a \$25,000 grant to support young adults exploring career pathways in creative fields such as fashion and interior design, photography, architecture, and more.

CASE STUDY: Arkansas farmer modernizes with the help of the Economic Development Program (FHLBank Dallas)

[Cordell Ashby grew up in a farming and ranching family](#) in Northwest Arkansas where the sound of clucking hens was as common as the hum of rush-hour traffic is to the city dweller.

The Ashby farm has been owned by the family for nearly 30 years, and Mr. Ashby, who purchased the farm from his grandfather, was able to buy the farm and modernize its poultry barns with use of the FHLBank Dallas Economic Development Program (EDP). The EDP provides advances with favorable terms to FHLBank Dallas members, who in turn use them for economic development efforts in the communities they serve.

“The FHLBank Dallas Economic Development Program provides us with an exceptional rate, which then allows us to pass that savings along to our borrowers,” said Matt Smith, Community Bank President for Arvest Bank in Huntsville, Arkansas, where about 90% of Arvest Bank’s loan portfolio consists of agricultural loans.

Mr. Ashby said he’d still be years behind on modernizing the farm without the EDP loan he obtained through FHLBank Dallas member Arvest Bank. “It would have been hard for us to find the cash-flow to upgrade the houses,” he said. “It’s been a real big help for us.”



5 SUPPORTING SOCIAL AND ENVIRONMENTAL OUTCOMES

The FHLBanks are committed to supporting positive social and environmental outcomes in the communities served by our members. Through our regional structure and the on-the-ground presence of our more than 6,500 members, we are closely connected to local districts – which increases our responsiveness to their needs.

When the unexpected occurs – tornadoes, earthquakes, floods, wildfires, hurricanes, and other natural disasters – the FHLBanks can quickly mobilize resources to help and support those affected. In addition to responding when tragedy strikes, we also actively work to reduce our environmental impact through targeted sustainability initiatives.

As part of our support for positive social advancements, we partner with top research organizations to develop evidence-based solutions that support our mission and encourage our workforce to engage in local causes.

Support During Crises

Natural disasters underscore the urgent need for action. Through our close relationship with our members and communities, we answered the call to help after several natural disasters in 2023, providing tailored support in times of need. In 2023, FHLBanks provided assistance in response to the Hawaii wildfire, and tornadoes and severe storms in Arkansas and Mississippi. FHLBank Des Moines donated \$5 million to organizations helping with wildfire recovery efforts in Hawaii – helping local residents repair, rebuild, or relocate their homes. FHLBank Dallas provided \$2.5 million in grant funding to small businesses damaged by tornadoes and severe storms across Arkansas and Mississippi. We recognize that natural disasters can pose significant challenges and will inevitably strike. We take our responsibility very seriously and are committed to stand with our members and community partners to quickly respond by leveraging our strength to help communities heal, recover, and rebuild.

CASE STUDY: Supporting displaced families in the wake of the Maui wildfires (FHLBank Des Moines)

FHLBank Des Moines partnered with its member lenders in Hawaii to [donate \\$5 million to relief efforts in Maui](#) after wildfires engulfed Lahaina in August 2023. The Hawaii Bankers Association (HBA) received \$4 million, which was passed on to the Hawaii Community Foundation’s Maui Strong Fund, the United Way of Maui, and the Council for Native Hawaiian Advancement. The Valley Isle Chapter of the Hawaii Credit Union League received \$1 million, passing it along to local relief efforts.

Donations enabled these organizations to offer financial assistance and overall support for the immediate and long-term recovery of the affected communities.

“This generous donation from FHLBank Des Moines will provide critical support for Maui residents as they recover from the tragic wildfires and secure long-term housing. The Hawaii Bankers Association and its member banks are pleased to work closely with local relief and community agencies to ensure funds reach those in need as soon as possible.”

Bryan Luke, Hawaii National Bank and HBA chair



FHLBank President and CEO Kristina K. Williams (left) presents the \$5 million donation in the Maui Relief Efforts Donation Check Ceremony.

CASE STUDY: Helping small businesses recover from tornadoes and severe storms (FHLBank Dallas)

FHLBank Dallas allocated [\\$2.5 million in 2023 to Small Business Recovery Grants](#), offering up to \$20,000 each to businesses impacted by natural disasters, such as the tornadoes that struck Mississippi and Arkansas. One of the grant recipients was Jaco Machine in Amory, Mississippi, a provider of fabrication services to the aerospace industry. A tornado tore off the roof of Jaco's headquarters, broke windows, and damaged machinery and metal siding, forcing the company to shut down for two weeks.

"Without the grant, we would really be struggling. We were relieved when we learned about the funding. It was a tremendous help."

[Click for the Video](#)

Jody Powell, Jaco Machine

External Research Drives Community Insights

We actively fund research to provide greater insight on housing and development gaps, focusing on the unique challenges in each FHLBank's district.

The FHLBanks individually collaborate on these issues with specialized research organizations, such as the Joint Center for Housing Studies at Harvard University and the Urban Institute.

These partnerships enable the FHLBanks and others to address systemic challenges through evidence-based solutions that strive to make a real difference in the lives of Americans. This research guides our programs and informs the broader public to refine resource strategies to address key issues affecting the communities we serve.

CASE STUDY: Partnering with the Urban Institute to promote equitable access in the housing market (FHLBank San Francisco)

FHLBank San Francisco and the Urban Institute partnered to research innovative solutions for closing the racial homeownership and wealth gaps. This Racial Equity Accelerator for Homeownership collaboration led to the publication of four research papers centered around potential solutions for breaking down structural barriers to mortgage financing: alternative underwriting, reducing the burden of student debt, product innovations to reduce foreclosure risk, and rooting out biases in artificial intelligence.

The Urban Institute shared its findings at FHLBank San Francisco's series of Homeownership Solutions Summits, which provided a forum for understanding what is happening in local communities and identifying tangible actions to address housing affordability and homeownership inequity. In 2023, FHLBank San Francisco drew on these discussions in publishing a package of recommendations titled '[Closing the Racial Equity Gap: A Call to Action](#)'.



These combined efforts ultimately helped shape FHLBank San Francisco's Middle-Income Downpayment Assistance Program and prompted the development of future programs.

Workforce Support for Communities

We are committed to seeing our communities thrive across every FHLBank district through a range of community programs, and to providing hands-on assistance locally through our committed and passionate workforce. We actively encourage our employees to engage with causes that resonate with them, offering structured employee-giving campaigns, donation matching programs, and opportunities for volunteering.

Each FHLBank hosts community events and fundraisers, partnering with organizations such as Habitat for Humanity, Legal Aid, and the United Way. We are proud of our employees' strong work to support causes like these and help people in need.

CASE STUDY: Local community impact (FHLBank Indianapolis)

FHLBank Indianapolis' 2023 volunteering program and initiative led to employees spending more than 1,500 hours benefiting 44 organizations in their local communities.

For instance, in partnership with Rise Against Hunger in 2023, employees, members of the board of directors, and Affordable Housing Advisory Council members of the FHLBank worked together to pack 18,000 nutritious meal kits. These meal kits were then distributed by the local organization to dozens of countries in need worldwide.



Volunteerism in Action: Habitat for Humanity on-site panel build hosted by FHLBank Indianapolis.

CASE STUDY: Environmental donations build sustainable coastal economies in Puerto Rico (FHLBank New York)

In 2023, FHLBank New York donated \$220,000 to the Hispanic Federation to install solar equipment in several fishing associations across low-income coastal areas of Puerto Rico. These retrofitting projects enable the fishing associations to maintain a stable and uninterrupted power source independent of the unreliable energy grid in their communities.

This promotes sustainable coastal economies, food security, and energy independence, ensuring the residents of these coastal towns are better positioned to physically, mentally, and economically endure natural disasters that affect their local economy.

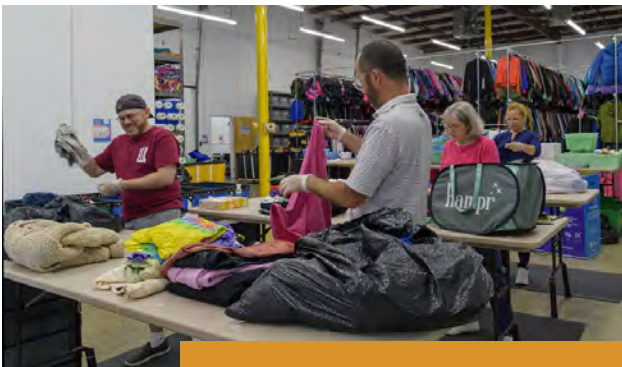


Solar panels are installed at Puerto Rico fishing associations.

CASE STUDY: Donations benefit Catie’s Closet Haircare for All initiative (FHLBank Boston)

[FHLBank Boston](#) donated \$10,000 to benefit [Catie’s Closet Haircare for All initiative](#), which provides hair care products for students of all ethnicities with natural and textured hair. Catie’s Closet provides clothing, toiletries, and other necessities to students living in poverty through its In-School Closet Program and SOS Urgent Response Program. With its In-School Closet Program, the organization transforms unused spaces in public schools throughout Massachusetts and New Hampshire into closets where students can discreetly select clothing and other items that they need at no cost.

As part of its support of Catie’s Closet, FHLBank Boston collected donations of clothing, hair care products, and other toiletries; volunteered at the organization’s distribution center in Boston’s Hyde Square neighborhood to sort through clothing donations; and organized a 5K run/walk to raise funds to purchase new sneakers for children in need.



FHLBank Boston employees sort through clothing donations.



FHLBank Boston employees volunteered to plant 300 daffodils on the Esplanade and cleared debris and garbage along the Charles River in Boston as part of ‘Invest in Our Planet’, an Earth Day celebration hosted by the FHLBank.

CASE STUDY: Partnering with our member institutions to aid local causes (FHLBank Topeka)

FHLBank Topeka offered its annual [#500forGood Program](#), awarding \$500 to member institutions to donate to a cause of their choice. By engaging with our members, we broaden our partnerships' impact on local communities. In 2023, 52 member institutions were awarded, benefiting organizations across the four states.



YOUTH AND EDUCATION

Golden Belt Bank in Hays, Kansas supplemented financial education lessons to local schoolchildren with help from the grant they received in 2022, and utilized in 2023.



COMMUNITY DEVELOPMENT

Bank of Colorado in Estes Park, Colorado supported the Estes Park Nonprofit Resource Center, which acts as a strong partner to the 100 nonprofits to help find volunteers and engage those volunteers through collective education and advocacy resources.



HEALTH AND WELFARE

Armstrong Bank in Norman, Oklahoma contributed to the OK City Crisis Nursery, which provides a village of care around local children in times of crisis.



ARTS AND CULTURE

First State Bank of Norton in Holdrege, Nebraska used a grant to support a new Midtown Sculpture Garden on the site of a formerly blighted building in downtown Holdrege.



Schoolchildren attend lessons hosted by Golden Belt Bank.



2023 DIVERSITY AND INCLUSION HIGHLIGHTS⁶⁸

BOARD MEMBERS

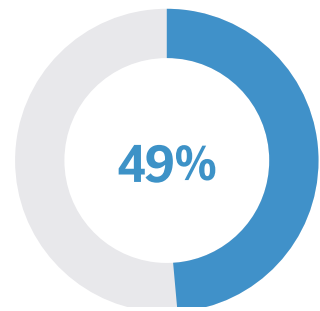
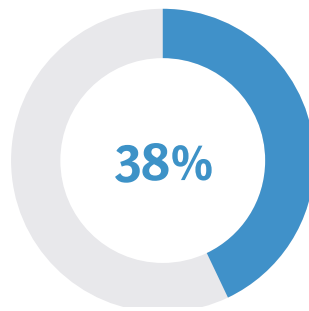
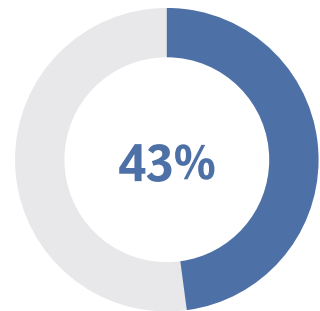
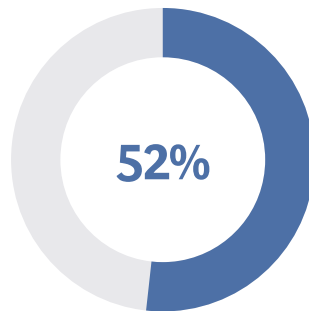
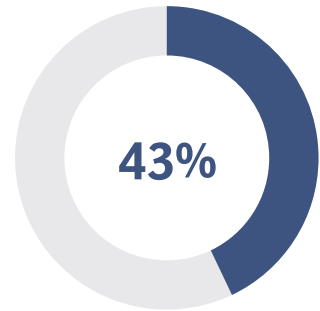
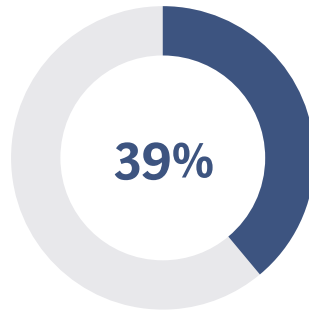
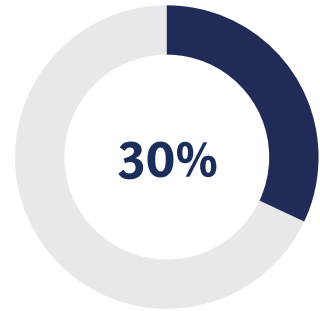
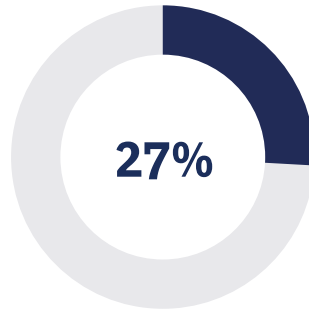
WORKFORCE

NEW HIRES

PROMOTIONS

MINORITY

WOMEN



20
out of 65
dealers

who underwrite our debt identify as diverse-owned businesses.

Spending with vendors – including those owned by women, minorities, and individuals with disabilities, as well as diverse spend with non-diverse-owned businesses.

\$134
million

6 COMMITMENT TO DIVERSITY AND INCLUSION

The FHLBanks are committed to diversity and inclusion (D&I) as a core principle. We believe our employees, members, and communities benefit from an inclusive culture within our workforce, our boards of directors, and our external partnerships. As part of this commitment, the FHLBanks incorporate D&I principles across our business activities.

We foster workplaces with a sense of belonging, in which employees feel welcomed and valued, which extends to our partners. We believe that diversity across all levels of our organization increases our capacity for innovation and creativity. Inclusion brings together unique perspectives not only from our workforce, but also from our leadership and in the way we operate, which in turn helps strengthen our employee engagement and retention. Studies show that D&I in the workplace leads to a variety of benefits, including higher-quality work, better decisions, equality within teams, and greater team satisfaction.⁶⁹

A 2023 study suggests employee experiences are over a third more positive when:⁷⁰

- 1 | Senior leaders make meaningful commitments to D&I
- 2 | Senior leadership is diverse
- 3 | Managers commit to D&I and build a safe team environment
- 4 | The work environment is respectful and free of discrimination and bias

These findings validate that the FHLBanks' commitment to D&I can have a positive impact on our business activities.

Diversity and Inclusion in Our Workforce

Our thousands of dedicated employees – who support our members and communities day in and day out – are central to our commitment to D&I. Each FHLBank has a designated Officer of Minority and Women Inclusion within its senior management team to lead its D&I efforts.

We actively provide development opportunities to employees from underrepresented groups, including women, people of color, veterans, people with disabilities, and members of the LGBTQ+ community. In 2023, women held 43% of positions within the FHLBank System, and minorities represented 39%.⁷¹

We encourage our employees' professional growth by recognizing and rewarding performance, and through educational assistance programs, skill development opportunities, and employee wellness programs. We offer expert-led learning and development programs that facilitate continual learning for our employees as they progress in their careers. We also develop talent from diverse backgrounds through internships that give students on-the-job learning and help cultivate a talent pipeline for the FHLBanks.

Our employee resource groups are a key element behind fostering a sense of belonging in our workforce. Each group is voluntarily formed and led by employees to provide space for colleagues with shared experiences and identities – from gender and ethnicity to parenthood and more – to connect and thrive. Employee resource groups welcome and invite colleagues to join and take part in professional development through educational and social events, and present a forum for everyone to learn from their cultural differences and to grow their networks.

We regularly host FHLBank System-wide events to connect professionals with diverse identities, backgrounds, and perspectives. For example, in 2023, employees from all 11 FHLBanks and Office of Finance attended our annual Women's Leadership Conference. The participants learned from women leaders in finance, engaged in leadership development training, and networked. We hold an annual 'System-wide Conversation on Race'. In 2023, our event, titled 'System-wide Conversation on Race: Redlining, Then and Now' and featured Leah Rothstein, co-author of 'Just Action: How to Challenge Segregation Enacted Under the Color of Law'. The event pointed to the current day impact of redlining and actionable ways to overcome its impact. These education opportunities and resulting conversations provided context to our day-to-day operations and strengthened our service to our members and their customers.

CASE STUDY: Employee resource groups promote and develop D&I (FHLBank Chicago)

At the FHLBank Chicago, employee resource groups collectively allow the FHLBank to operationalize its D&I strategy. They are voluntary, employee-led initiatives set up to achieve D&I goals across four key pillars – professional development, cultural awareness, talent acquisition, and corporate citizenship.

FHLBank Chicago has several employee resource groups representing diverse communities, and more than half of its employees participate in these groups – African American, Baby Boomers, Global Diversity, Latino, and Women’s employee resource groups. Throughout the year, these groups organize volunteer activities to support organizations in their district and further increase fellowship among employees.

For example, the Latino employee resource group hosted a lunch and learn session on tackling imposter syndrome. While employees enjoyed a delicious Peruvian lunch, guest speaker and FHLBank Chicago Board Director Maria Wynne provided strategies on how to reframe perspectives and boost self-confidence.



FHLBank Chicago employees and Board Director, Maria Wynne (below) at lunch and learn session.



Diversity and Inclusion in Our Boards of Directors

The board of directors at each FHLBank strongly supports diversity and inclusion by integrating D&I principles into the overall business strategy.

We are focused on diversity within our boards of directors so that they reflect the communities our members serve. Across the FHLBank System, we have a dedicated subcommittee on board diversity that has developed a reference guide, including resources regarding education, recruitment, governance, and measuring success. As of December 31, 2023, 30% of our directors were women and 27% were minorities.⁷²

Diversity and Inclusion in Our Partnerships

We recognize the responsibility the FHLBanks have in advancing D&I principles in our business, especially in our engagement with firms owned by women, minorities, and individuals with disabilities.

As one of the largest debt issuers globally, we utilize multiple debt programs and issuance methods, which provide diverse-owned financial market broker-dealers with numerous commercial opportunities to support the FHLBanks as they grow their businesses.

Across our capital markets teams, we promote opportunities and outreach for diverse firms consistent with strategic market access, funding, and debt securities distribution objectives. Our Office of Minority and Women Inclusion capital markets sub-group, comprised of participants from each FHLBank and Office of Finance, focuses on supporting our diverse dealers through three strategic pillars – Outreach, Education, and Opportunity.

By reducing barriers to our debt issuance programs and partnering with diverse dealers on investor outreach and debt securities marketing, we further strengthen our strong and symbiotic relationship with many diverse-owned dealers.

CASE STUDY: 10 years supporting Academy Securities, a veteran-focused dealer

The passion and commitment Academy Securities has for its mission permeates every interaction the company has with its employees and clients.

Academy Securities is the first post-9/11 disabled veteran-owned and operated investment bank and broker-dealer. Today, nearly half of Academy's workforce consists of military veterans, with nearly two-thirds of its equity owned by veterans.

Academy's mission is to hire, train, and mentor veterans so they are best positioned for success after military service. They intentionally hire from diverse military backgrounds – ranging from nuclear aircraft carrier engineers to fighter pilots to special operators, to other unique skill sets – and pair these military veterans with Wall Street 'veterans' to tap their financial expertise and help build career equity for all their teammates.

This unique approach promotes a meaningful and successful transition to the financial industry that incorporates and embraces the values of teamwork and service that are so integral to military culture. An example is Academy's Geopolitical Intelligence Group – comprised of 20 retired Admirals and Generals, one former NASA astronaut, and one FBI agent – who are the world's foremost experts on foreign policy, national security, and regional instability. This advisory board offers real-world subject matter expertise regarding the global risk landscape and its impact on capital markets, setting Academy apart in providing unique perspectives to investors.

Academy Securities has also proudly participated in the Department of Defense's SkillBridge Program since 2021. The program encourages Service members to take advantage of training and development opportunities throughout their military career to grow as professionals serving both their country while in uniform and as civilians. The company offers mentoring and training opportunities to transitioning Service members that act as an extended 'on-the-job interview' to determine if the Service member is a potential long-term fit for Academy Securities. Regardless of whether the internship leads to full-time employment at Academy, they are supported by the Academy team in their effort to make successful career transition following their service to our nation.

“The FHLBanks cracked the door for us, and we took the opportunity to push the door open... With the ongoing partnership, we will continue to build on our capabilities and grow further as a leader in capital markets.”

Spencer Wilcox, Head of Debt Capital Markets and Fixed Income, Academy Securities



Diverse dealers play a significant role in our debt funding activities, particularly by bringing state and local investors to the agency debt market, which enhances the reach and effectiveness of our debt issuance programs. Additionally, pricing on COs underwritten by D&I dealers is competitive with levels provided by other dealers, demonstrating the strong business value that our inclusion efforts provide.

Twenty of the 65 dealers who underwrite our debt securities identify as diverse-owned businesses.⁷³ The percentage of FHLBank debt issuance underwritten by diverse dealers increased from 2.5% in 2016 to 15% in 2023.⁷⁴ Gaining access to FHLBank debt programs can provide diverse dealers with a means to expand, compete, and ultimately have a greater impact.

The FHLBanks regularly support diverse dealers in both debt issuance and investment management activities. Investment and treasury management teams across the FHLBanks utilize diverse dealers to support key business activities.

Our inclusive partnerships have resulted in growth of opportunities for both the FHLBanks and our diverse dealers, and we strive to continue expanding the strength and scope of these relationships.

Many of our diverse dealers distinguish themselves with unique market insights, perspectives, and broad customer base, and we are committed to support their continued success. We are proud of this work that embodies our commitment to building an inclusive and diverse financial landscape.

VOICE OF STAKEHOLDERS: Partnering with D&I dealers to deliver positive results

Our partnership with the FHLBanks has been instrumental in driving positive results to our clients. The FHLBanks' commitment to D&I aligns with our values, resulting in a collaborative and mutually beneficial relationship. We are proud to work together towards surpassing our respective goals.

Claude Seide, Head of Rates and Securitized Product, Siebert Williams Shank

Our commitment to D&I also extends to vendors. Partnering with diverse vendors helps us to boost the health and vitality of the communities we serve, and is another important way we demonstrate our impact. In 2023, our spending with vendors – including those owned by women, minorities, and individuals with disabilities, as well as diverse spend with non-diverse-owned businesses – totaled \$134 million.⁷⁵

With help from our training programs and other resources, diverse vendors can grow their businesses. For example, our programs include support to obtain industry certifications that are integral for pursuing new business opportunities. We also partner with advocacy organizations to broaden our network of diverse vendors, and we create dedicated procurement portals to provide diverse vendors with access to compete for contracts.



On International Women's Day, FHLBank Boston Diversity, Equity, and Inclusion Specialist Bukky Olugbemi moderated a discussion with accomplished leaders in the financial services industry. From left are Kristin Carvalho, President and Chief Operating Officer and Treasurer of MutualOne Bank; Gilda Nogueira, former President and Chief Executive Officer of East Cambridge Savings Bank; Bukky Olugbemi; and Ana Dyer, Senior Vice President and Chief Business Officer of FHLBank Boston.

[Click here](#) for our FHLBank System-wide Diversity, Equity, and Inclusion Report: 'Opening Doors, Changing Lives'.



7 STRONG RISK MANAGEMENT AND GOVERNANCE

Strong risk management and governance are fundamental principles that sustain the organizational structure of the FHLBanks, helping us achieve a meaningful impact for our members and within the communities we serve. Although part of a cooperative-owned system that operates with a high level of collaboration, each FHLBank operates independently with its own management and board of directors. We also draw on the broad expertise and regulatory oversight of the FHFA.

Oversight by Our Boards of Directors

The governance of each FHLBank is overseen by a board of directors, comprised of 14 to 22 members. Approximately 60% of these directors are from member institutions, including leaders from banks, credit unions, insurance companies, and CDFIs. At least 40% of each board must be independent directors – i.e., not from our member institutions – who bring in specialized expertise across a variety of fields, such as affordable housing, community development, technology, cybersecurity, financial, accounting, legal, and risk management. Among these independent directors, each FHLBank board includes at least two public interest directors with a requirement of more than four years of experience representing consumer or community interests in banking services, credit needs, housing, or consumer financial protection, further enriching the board’s perspective and strengthening our impact.

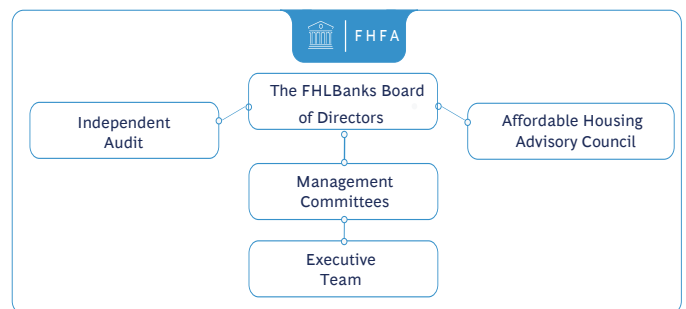
To effectively oversee the FHLBanks, our boards have established several committees including those focused on areas such as audit, governance, risk, and human resources and compensation, which leverage the extensive experience of our member and independent directors and help the FHLBanks operate in a safe and sound manner consistent with best practices.

Additionally, each board is advised by an Affordable Housing Advisory Council. The guidance and advice these councils provide play an integral role in developing low- and moderate-income housing programs and in our initiatives designed to meet specific community needs, including the FHLBanks’ expanded voluntary programs.

Affordable Housing Advisory Council

Councils consist of non-profit and community leaders who bring expertise in national, state, and local affordable housing trends, along with community development best practices.

The FHLBanks governance organizational chart



Regulatory Compliance and Oversight

In addition to our internal risk management and governance practices, we work closely with state and federal financial regulators. We are subject to federal mission and safety and soundness regulation by the FHFA. Key stakeholders – including our debt investors, rating agencies, FHLBank members, and their regulators – recognize the value of this independent and strong federal regulatory oversight. FHFA conducts annual safety and soundness examinations of each FHLBank and Office of Finance and provides ongoing oversight throughout the year. Additionally, the 11 FHLBanks undergo annual AHP examinations, and the FHLBanks and Office of Finance undergo D&I examinations every 3 years. In 2023, FHFA completed its ‘FHLBank System at 100: Focusing on the Future’ review. This introspective process provided an opportunity to hear from and engage with hundreds of stakeholders – with the goal of keeping the FHLBank System well positioned to continue serving its members and communities into the future.

Each FHLBank is registered with the U.S. Securities and Exchange Commission and files quarterly and annual reports that provide the public with transparency into each FHLBank’s financial results and operations.

The reports filed with the U.S. Securities and Exchange Commission disclose material events, such as changes to capital plans, boards of directors, and bylaws. Additionally, each FHLBank’s financial statements and internal controls over financial reporting are subject to an independent external audit conducted by a ‘Big Four’ accounting firm. This robust corporate governance provides a high level of transparency and accountability into each FHLBank’s operations and financial results. Office of Finance collects the individual quarterly and annual data of the 11 FHLBanks and combines them into a single report called the Combined Financial Report, which provides external stakeholders with a deep view into the entire FHLBank System. The Combined Financial Report is made publicly available every quarter.

Additionally, the FHLBanks continue to monitor and adjust capital levels as part of our commitment to maintaining adequate capitalization, in accordance with risk-based, regulatory, and leverage capital regulations set by FHFA.

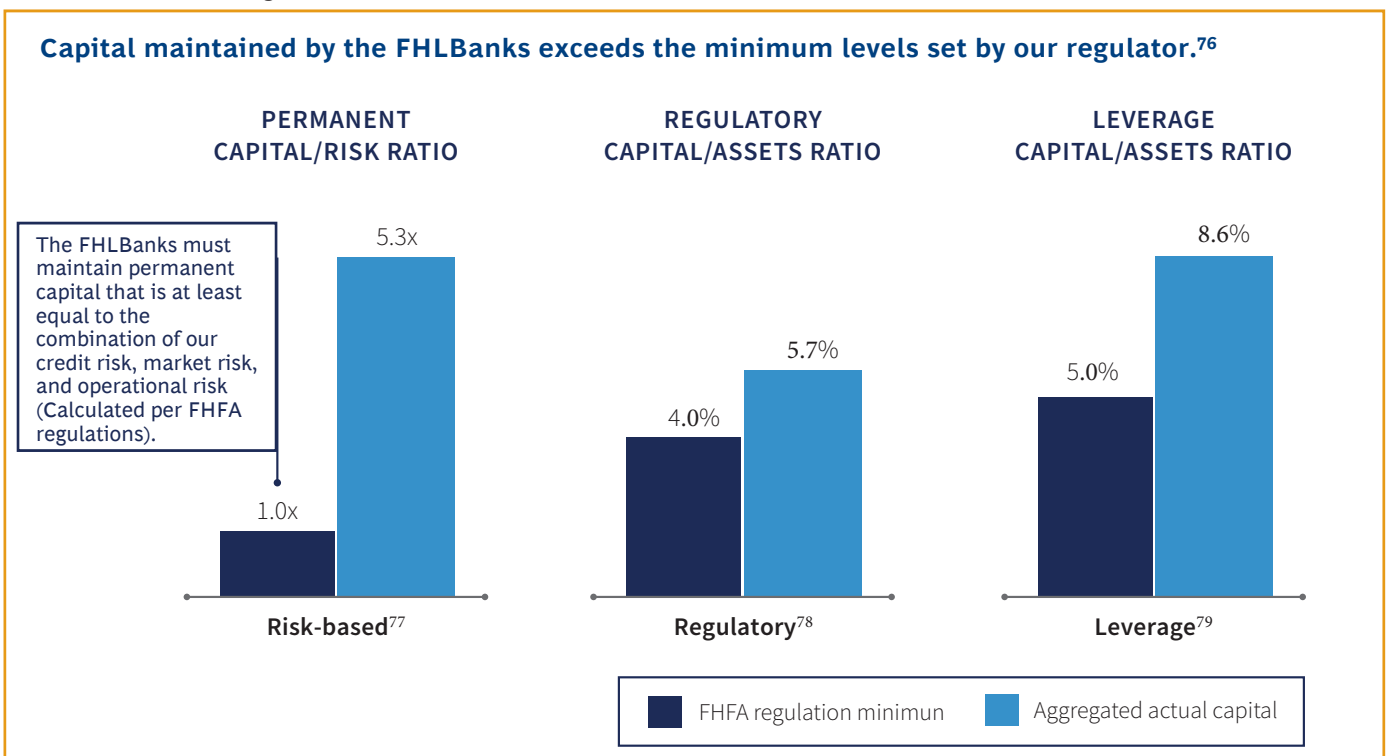
Leadership Across the FHLBanks

The FHLBanks follow the Three Lines Model, a widely adopted best practice for corporate risk management and governance. Each business unit is empowered to act as a first line, owning and managing risks and guiding employees to identify, report, and mitigate risk. Our risk management teams represent the second line. These risk managers proactively monitor risks, identify possible mitigating factors, and articulate policies for robust risk management.

The FHLBanks internal audit function comprises the third line, independently ensuring that risk management practices, governance, and controls are in place, effective, and functioning as intended. Successful collaboration and coordination across these three lines are intended to provide a highly effective overall risk management program that fosters safe and sound operations – ensuring that the FHLBanks can focus on meeting the needs of members and fulfilling our mission today while remaining sound and effective for the future.

The business and risk teams are overseen by executive committees responsible for governance, strategic planning, and policymaking as we manage credit, market, liquidity, operational, and economic risks. Our risk management framework is designed to identify and assess these risks continuously, allowing us to proactively adjust our processes as needed. For instance, with the ever-present risk of cybersecurity threats, we have developed and implemented cybersecurity policies, enhanced security standards and measures, and created action plans for both prevention and quick recovery. Additionally, we continue diligent monitoring of credit risks to support the stability of the FHLBanks and remain reliable and resilient to serve our members.

Although each FHLBank maintains its own independent management structure, FHLBank presidents, senior management executives, and operational teams representing many different functional areas across the 11 FHLBanks and Office of Finance frequently collaborate to support best practices and effective outcomes.





**IMPACT HIGHLIGHTS FROM THE
11 FEDERAL HOME LOAN BANKS**



Federal Home Loan Bank of Atlanta (FHLBank Atlanta) is committed to expanding homeownership and promoting family wealth through the mitigation of issues associated with heirs' property.

Serving Renters by Funding Multifamily Rental Housing

We recognize that the rapidly increasing costs of materials and labor have inhibited many multifamily housing projects from proceeding. In 2023, we committed more than \$8 million to our [Multifamily Housing Bridge Fund](#) to help close the hard-cost expense gaps for affordable multifamily rental housing projects already in development.

Through this program, FHLBank Atlanta has contributed to 28 projects, enabling the completion of more than 2,300 units of affordable rental housing for residents with incomes below 120% of area median income (AMI). One-third of the awarded projects are in rural areas, and at least a fifth of their units are set aside for residents aged 62 or older. Many of these projects might never have been completed without the Bridge Fund's support.

“ We are honored that you believe in us and our mission to provide a transitional program to help veterans get out of homelessness. We are moving toward the completion of our building phase thanks to your financial support through this Bridge Fund Grant. When we get veterans in the homes is when the real work begins, but we can't begin that very important work until Golden Isles Veterans Village is built. So thank you for making a huge difference in our journey! ”

Lorene Reid, Golden Isles Veterans Village

CASE STUDY: Increasing affordable housing in North Carolina

FHLBank Atlanta's Multifamily Housing Bridge Fund awarded more than \$400,000 to Crescent Drive Apartments in Durham, North Carolina through member Truist Bank. The grants will enable the completion of a large, 82-unit complex specifically serving low- to middle-income households: At least 18 units are for households earning up to 30% of AMI, at least 46 for those earning up to 60%, and 18 for those earning up to 80%.



Crescent Drive apartment complex, which received funding through the Multifamily Housing Bridge Fund.

Promoting Heirs' Property Prevention and Resolution Through Voluntary Grant Program

Heirs' property is a significant challenge for marginalized and historically disadvantaged communities, particularly within FHLBank Atlanta's district. Heirs' property occurs when a property owner dies without a will designating a beneficiary, or when property is left to multiple beneficiaries without a valid legal arrangement to manage the property. The result is an unmarketable property, and this 'tangled' title can discourage sales or improvements to the property. Too many families are kept from accumulating generational wealth as a result of this issue, and it can lead to devaluing surrounding areas as the property deteriorates.

During the past three years, FHLBank Atlanta has worked to address the problems associated with heirs' property. In 2021, we hosted a forum with experts and funding organizations from across the country. The following year, we awarded \$1 million to organizations participating in the forum to support their innovative solutions to address this issue. FHLBank Atlanta's program funded 24 of these organizations, each receiving grants ranging from \$2,500 to \$100,000. Through the grants, so far 71 tangled titles have been resolved, an estimated \$6 million in equity has been released to property owners, more than 2,700 individuals have received training on property financial literacy, and 242 individual wills have been executed.

CASE STUDY: Three siblings secured their home

With funding from our Heirs' Property Prevention program, Community Legal Services (CLS) in Florida successfully closed a probate case that involved three siblings. Their mother had long assured them that, should anything happen to her, each would inherit a piece of property.

Unfortunately, she passed away unexpectedly without a will, subjecting the property to Florida's intestacy laws and complicating their ownership claims.

With help from CLS, the siblings and their mother's widower were able to reach an agreement. Each sibling now owns the home they were living in under a valid legal arrangement, thus securing their ownership rights.

[Click for FHLBank Atlanta's 2023 Impact report](#)



Federal Home Loan Bank of Boston (FHLBank Boston) is dedicated to promoting economic development and advancing homeownership across the 6 New England states.

Expanding Job Opportunities

Our [Jobs for New England \(JNE\)](#) program helps members bolster and diversify local economies by providing below-market-rate financing so they can offer low-interest-rate loans to small businesses – particularly those owned by women, minorities, or veterans. The funding enables businesses to expand and add new facilities, creating and retaining jobs. The program has boosted restaurants, bakeries, factories, childcare centers, nurseries, veterinary clinics, and more.

In 2023, we allocated \$5.3 million in subsidies and disbursed \$31.2 million in advances to 43 member institutions, creating or preserving approximately 1,400 jobs. Since its inception in 2016, members have reported that JNE has helped create or retain 12,000 jobs.

CASE STUDY: Expanding New Hampshire businesses

Triangle Credit Union in New Hampshire secured JNE funding to help an Italian restaurant purchase its location, assist a local doctor expand her naturopathic medical clinic, and a local businesswoman purchase a cross-fit training center. Through these efforts, Triangle Credit Union was able to retain 24 jobs and create 8 more.

“At Triangle Credit Union, we believe in the power of inclusive economic growth, and understand that supporting diverse small businesses is not only essential for fostering a thriving community, but also driving long-term economic prosperity. The Jobs for New England Program has provided the credit union with low-cost funds that we are then able to pass on in the form of small business loans to women- and minority-owned businesses. By offering these loans, we witness firsthand the transformation of dreams into reality as start-up ideas evolve into dynamic enterprises that generate employment for fellow community members.”

John Ziemba, Triangle Credit Union

Enabling Homeownership

We offer three homeownership assistance programs to members to assist income-eligible homebuyers. These programs have been especially important given rising home prices and interest rates in the communities our members serve, which have made it difficult for many to afford housing. In Greater Boston, for example, the median price for a single-family home reached \$900,000 in March 2024, according to the Greater Boston Association of Realtors.

The [Equity Builder Program](#), launched in 2003, provides first-time homebuyers with household incomes below 80% of the area median income with down payment assistance grants. In 2023, we awarded grants of up to \$29,000 to income-eligible buyers, ultimately providing \$5.5 million and enabling 200 homebuyers to achieve their dream.

Housing Our Workforce, established as a voluntary program in 2016, reduces borrowing costs for those earning more than 80% and up to 120% AMI – borrowers who don’t qualify for Equity Builder Program grants.

Lift Up Homeownership, a Special Purpose Credit Program created in 2023, gives grants to people of color earning up to 120% AMI who are purchasing their first home. The program helped 51 households buy their first home in 2023, and we are doubling our commitment to the program in 2024.

All three of these programs enable us to create lasting impact and provide stability in the New England communities our members serve.



Ahmed Emara and Hala Ashour, homeowners who were awarded a grant through the Equity Builder Program. [\(Click for video\)](#)

CASE STUDY: Eastern Bank provides more than \$1 million in down payment assistance

Members like Eastern Bank are tapping our programs to help them increase their impact. When the applications opened for Lift Up Homeownership, Eastern Bank was one of the first to apply, reserving the maximum cap of \$250,000. Leveraging our Equity Builder, Housing Our Workforce, and Lift Up Homeownership programs, Eastern Bank has distributed more than \$1 million in FHLBank Boston grant funding in 2022 and 2023.

“We do good things to help people prosper, and the Lift Up Homeownership pilot program aligns with a lot of the initiatives Eastern Bank has undertaken... This program allows FHLBank Boston members to bring that dream of homeownership to the communities we serve.”

Chip Coveney, Eastern Bank

[Click for FHLBank Boston’s 2023 Advisory Council report](#)

FHLBANK CHICAGO



Federal Home Loan Bank of Chicago (FHLBank Chicago) is dedicated to increasing access to affordable housing and creating thriving communities by empowering its member institutions through mission-focused products and programs.

Competitive Mortgage Financing

FHLBank Chicago administers the [Mortgage Partnership Finance \(MPF\) Program](#) for six participating FHLBanks – Boston, Chicago, Dallas, Des Moines, Pittsburgh, and Topeka. Through this mortgage purchasing program, we provide access to the secondary mortgage market for our members, as well as FHLBank members across the U.S. that are approved participating financial institutions. The MPF Program enables participating members to sell their fixed-rate residential mortgage loans to relieve their interest rate risk and free up capacity for additional mortgages and other loans.

The MPF Program is unique in that it incentivizes long-term risk management. Since members and the FHLBanks share the risk of default, the FHLBanks pay their members for originating high-quality, low credit-risk mortgages sold through the MPF Program while relieving them of the interest rate risk on those loans. Members can continue to service the loans sold and preserve their customer relationships. To date, 1,500 members nationwide have received more than \$1 billion of credit enhancement income – most of which they have put into new mortgage loans to expand homeownership.

In 2023, more than 30,000 residential mortgages totaling \$8.7 billion were purchased through the MPF Program, while maintaining a balance of \$68 billion in loans outstanding. Nearly 700 members remain active in the MPF Program, most of which are small community banks and credit unions with less than \$1.5 billion in assets. The MPF Program is also crucial to supporting low-income borrowers and communities. Of the mortgages purchased in 2023, 27% were made to low-income borrowers or communities, exceeding our 20% housing goal regulation that ensures our affordable lending activities reflect the FHLBanks’ mission.

“ The MPF Program features allow us to price loans competitively and pass savings on to our members. This is important because affordability is the biggest barrier to homeownership in our communities... And by pairing the MPF Program with FHLBank Chicago’s Downpayment Plus® programs, we can also help members with down payment and closing costs, which can do even more to prevent payment shock – especially for first-time homebuyers. ”

Matt Gerber, Royal Credit Union

The MPF Program is also collaborating with HUD (via Ginnie Mae), USDA, and Treasury’s CDFI Fund under the Biden-Harris Administration’s [Interagency Community Investment Committee](#) initiative to provide more capital to underserved communities. The aim of this workstream is to enable more borrowers to realize the benefits of affordable homeownership through government lending. In 2023, the MPF Program co-hosted three webinars, reaching over 160 participating member institutions, which shows the promising potential of this collaboration moving forward.

Affordable Housing and Economic Development with our Community First® Fund

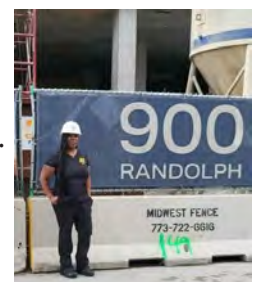
The [Community First Fund](#) (the ‘Fund’) is a \$50 million revolving fund for unsecured lending to community organizations, including non-depository CDFIs, in Illinois and Wisconsin. The Fund gives these organizations long-term support with capital at low interest rates. The first-of-its-kind in the FHLBank System, the Fund currently supports 8 CDFI partners. In 2023, Allies for Community Business (A4CB) received a second loan disbursement from the program. A4CB is a nonprofit providing capital, coaching, and connections to small business owners, particularly those of traditionally under-served demographics. This second disbursement of \$750,000 led to microloans for small business entrepreneurs and a new revenue-based financing pilot.

CASE STUDY: Supporting revenue-based financing for local entrepreneurs

Allies for Community Business recently helped Lateshia Jackson and her husband Anthony start A&L Environmental LLC, a hazardous waste removal company. When A&L launched, Lateshia and Anthony worked on small demolition contracts. The husband-and-wife team wanted to take bigger jobs but paying workers prior to receiving revenue for a job was a hurdle. With funding support by way of the Community First Fund, they could realize the dream of growing their business.

“I applied for loans at a bank, but everybody turned me down... When Allies (A4CB) came in, I got an immediate yes. I was so surprised. They wanted to help. With Allies, once they gave me that loan, they kept reaching out for support. They really want to see minority teams grow.”

Lateshia Jackson, A&L Environmental LLC



Lateshia Jackson, recipient of a loan through the Community First Fund.

FHLBANK CINCINNATI



Federal Home Loan Bank of Cincinnati (FHLBank Cincinnati) is dedicated to improving housing affordability and stepping in during crises to support our districts.

Supporting Homeowners with Special Needs

Our [Carol M. Peterson Housing Fund \(CMPHF\)](#) issues grants of \$5,000 to \$20,000 to low-income special needs and senior homeowners. The grants help fund housing accessibility and emergency repair needs. Since inception in 2010, the program has disbursed \$22 million to assist 3,000 households. In 2023, we gave \$6.4 million in grants to help 529 households.

VOICE OF STAKEHOLDER: Home improvement projects in Knoxville

Our member Home Federal Bank of Tennessee has a long history of working with the Knoxville Leadership Foundation to secure funding from the CMPHF. Through this member, we have supported home rehabilitation projects such as ramp additions and roof replacements, so owners can continue living in their homes.

Over time, the CMPHF has helped 118 low- to moderate-income individuals in the Knoxville community with home improvement projects with Knoxville Leadership Foundation. One senior who benefited from funding has been in her home for 50 years, and another has lived in the same home all of their life.

“With this particular funding, 9 times out of 10 we are looking at how can we really keep someone in a home and allow them to age in place and not feel like they have been displaced.”

Jay Zartman, Knoxville Leadership Foundation's Operation Backyard

Helping Communities After Natural Disasters

We launched our [Disaster Reconstruction Program \(DRP\)](#) in 2012 following tornadoes that swept through parts of Ohio. The program has helped households in purchasing, constructing, or repairing their primary residence after the effects of natural disasters. Grants of up to \$20,000 are available to homeowners in declared disaster areas, and renters can qualify for \$10,000 toward the purchase of a home.

This year, the program stepped up in both Kentucky and Tennessee to help rebuild after the devastating flooding. By the end of 2023, we disbursed nearly \$8 million to 601 households whose homes were damaged or destroyed by state- or federally-declared natural disasters.

CASE STUDY: Bringing relief when crises strike

The lives of many eastern Kentuckians changed in July 2022 after a series of storms inundated some areas with 16 inches of rain. While local organizations were ready to help, they struggled for funding to support their assistance. FHLBank Cincinnati's DRP stepped in to provide more than \$1.5 million.

In 2023, these funds helped enable families such as the Grosses of Letcher County to move into new homes. The funds not only helped construct the home, but also helped in non-monetary ways. “These funds have a ripple effect. There's a sort of post-traumatic stress syndrome that happens after a flood,” said Seth Long, Executive Director of HOMES, Inc. “When people hear it rain, they don't sleep as well. They think the creeks will rise. But when you build them a new home on higher ground with no chance of flooding, it gives all the families peace and security.”

“These funds have had a very positive effect on the area,” said Debra Hess, VP, CRA and Fair Lending Officer at Community Trust Bank, Inc. “The funds built at least 10 new homes for residents who had complete losses. They also worked diligently to repair the damage done by the massive flood, completing 9 flood repair jobs to date.”



Concrete being poured for new homes funded in part by our Disaster Reconstruction Program.



Kentucky Governor Andy Beshear at the new home of the Gross family in Letcher County.

[Click for FHLBank Cincinnati's 2023 Impact report](#)

FHLBANK DALLAS



Federal Home Loan Bank of Dallas (FHLBank Dallas) supports the communities served by our members through dedicated programs for disaster resilience and small businesses development across our five states: Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

Helping Homeowners Fortify Homes Against Natural Disasters

The [FHLB Dallas Fortified Fund](#) provides grants to homeowners to replace their roofs with storm-resistant or 'fortified' roofs that are designed to withstand damage from hurricanes, high winds, hailstorms, severe thunderstorms, and tornadoes rated EF2 or lower.⁸⁰ The program is also available for roofs on newly constructed homes.

In 2023, we provided \$1.5 million to assist 116 homeowners in receiving fortified roofs. Funding in 2024 for this voluntary program was increased to \$4 million.

CASE STUDY: Arkansas woman becomes second in the state to receive a 'fortified' roof

Arkansas homeowner Dulce Walker received a grant of \$15,000 from the 'Fortified Fund' through Simmons Bank to replace her roof.

"This fund is a great way to be proactive in protecting homeowners' property, and we are thrilled to be able to assist Ms. Walker in that effort."

Latriana Robertson, Simmons Bank



The FHLBank Dallas Fortified Fund provides grants for roofs that can withstand severe weather.

Boosting Small Businesses

Our [Small Business Boost \(SBB\)](#) program is an economic development program to help with financing for small businesses. SBB funds provide gap funding to cover the difference between what the member can finance and the loan request made by an eligible small business.

In 2023, FHLBank Dallas disbursed \$3.4 million in funds through the SBB program to assist 46 businesses and create or retain 153 jobs. More than \$2 million of total funding went to minority-, woman-, or veteran-owned businesses.

CASE STUDY: Boosting small businesses

A \$63,074 SBB loan, through member BankPlus, helped Jessica Pickens and her husband, Christopher, complete the purchase of a bridal and clothing boutique and hire two part-time employees.

"The SBB loan helped us tremendously. We wouldn't have been able to purchase the business without it."

Jessica Pickens, Finchers Inc.



Christopher and Jessica Pickens with their daughter in front of their boutique.

[Click for FHLBank Dallas' 2023 ESG report](#)

FHLBANK DES MOINES



Federal Home Loan Bank of Des Moines (FHLBank Des Moines) covers 13 states and 3 Pacific territories. To support our members and communities, we expanded our funding initiatives in 2023.

Providing Matching Grants for Affordable Housing and Community Development

The [Member Impact Fund](#) launched in 2023 as an initiative to increase grant funding opportunities in targeted areas of our district. The fund offers up to \$3- to \$1-matching grants for member donations to local nonprofits and government agencies that support affordable housing and community development. Eligible states and territories were selected based on their historical challenges in competing for AHP awards.

In 2023, the Member Impact Fund awarded \$15 million, and in partnership with 85 members, nearly \$20 million was granted through 501 awards across Hawaii, Idaho, Utah, Wyoming, and the territories of Guam and the Commonwealth of the Northern Mariana Islands. Recipients ranged widely, including organizations such as Habitat for Humanity, United Way, NeighborWorks, and numerous other local nonprofits. These organizations used the funds for a variety of purposes such as job training, down payment assistance, strategic planning, financial literacy, food banks, youth activities, and more.

CASE STUDY: Jonah Bank of Wyoming secures dozens of community development grants

In Wyoming, 264 Member Impact Fund grants totaling [\\$4.6 million were awarded in 2023](#). FHLB Des Moines member Jonah Bank of Wyoming supported the largest number of organizations with grants totaling \$800,000, including \$200,000 in donations provided by Jonah Bank of Wyoming, to support more than 50 eligible organizations in the surrounding Cheyenne and Casper communities.

Kim DeVore, president and CEO of Jonah Bank of Wyoming, is thrilled with the positive impact. “Our communities are the reason we have grown into the Jonah Bank you see today. Each time we sit down to decide how much we can give to an individual organization, we always wish we could give more. Thanks to the shared community commitment and generosity of FHLB Des Moines, this time we can!”

Jonah Bank of Wyoming, along with several other member institutions, granted the Food Bank of Wyoming a total of more than \$213,000, which went to sourcing, storing, and distributing items to the food insecure in communities across the state. “The generosity highlights that these financial institutions care about the people of Wyoming. Words cannot express the gratitude we have for the opportunity to partake in the 2023 Member Impact Fund from FHLB of Des Moines,” says Rachel Bailey, Executive Director of Food Bank of Wyoming.

Flexible Funding Sources for Our Members

We take pride in supporting our broad membership base comprising institutions stretching from the Mississippi River to across the Pacific Ocean. Our membership base enables us to support various communities in urban and rural areas, tribal lands, Alaska Native villages, and Hawaiian Homelands in supporting affordable housing and economic development. We do so through Community Investment Advances (CIAs) and various other products that help target our support to groups in need.

VOICE OF MEMBER: Northrim Bank supports Alaska communities



Apartment development in Alaska.

FHLB Des Moines member Northrim Bank is the largest provider of home loans in Alaska. Utilizing Community Investment Advances, Northrim Bank is able to make the communities in Alaska a better place to live.

Mike Huston, Northrim Bank President, says “FHLB Des Moines is an important part of our funding strategy. It allows us to be responsive to our communities, and knowing they will be there at all times enables us to be consistent through all economic cycles.” Huston adds, “In Alaska, our housing issue has become a crisis and access to affordable housing programs, combined with the availability of unique funding products like the CIA from FHLB Des Moines has helped us create a significant number of units that would not have been created otherwise.”



FHLBank Des Moines President Kristina K. Williams presents ceremonial check to Wyoming communities through the Member Impact Fund.

[Click for FHLBank Des Moines' 2023 Impact report](#)

FHLBANK INDIANAPOLIS



Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis) supports small businesses and affordable housing in Indiana and Michigan in the following ways.

Flexible Grants for Local Business Development

Our [Elevate Small Business Program](#) helps small businesses thrive with grants of up to \$20,000 to provide workforce development, capital expenditures, and working capital. The program aims to get local entrepreneurs to take the next step in elevating their businesses. In 2023, we increased Elevate funding by 40% over the previous year (from \$500,000 to \$700,000). FHLBank Indianapolis members used the program to support 38 small businesses, an increase of more than 40%. Watch our video to see how one Indianapolis small business benefited from the program.

8th Day Distillery
(Click for video)



CASE STUDY: Family restaurant scales up operations

Wildfire348 in Crawfordsville, Indiana, is a family restaurant that prepares fresh food with a wood-fired oven. Thanks to a \$20,000 Elevate grant through our member Hoosier Heartland State Bank (HHSB), Wildfire348 is positioned to increase its stationary freezer capacity, as well as purchase a portable freezer and a heat-seal wrapping unit. The restaurant can then expand into the wholesale food market. “We can’t wait to take our business to the next level,” said Kelli Green, co-owner of Wildfire348. “My husband Jeff and I believe in the power of entrepreneurship and are excited about the impact this partnership will have on the local business landscape. We are grateful to HHSB for supporting the growth of woman-owned business within our community.”



Kelli and Jeff Green, owners of Wildfire348.



Courtney Lorenz, founder of Cultured Kombucha.

Providing Minority Down Payment Assistance

To help make homeownership more equitable in Indiana and Michigan, we introduced the [HomeBoost minority down payment assistance program](#), a pilot Special Purpose Credit Program. In its inaugural year, HomeBoost provided \$15,000 in down payment assistance to 159 eligible households resulting in a total of nearly \$2.4 million.

CASE STUDY: Making homeownership a reality for community members

Elmer Roque and his growing family had been living with family members and didn’t think they could buy their own home any time soon – certainly not before Elmer’s 30th birthday. But with help from HomeBoost member Lake City Bank, nonprofit Lacasa, Inc., and Indiana Housing and Community Development Authority, Elmer bought a home in Goshen, Indiana. He and his family no longer need to depend on relatives to put a roof over their heads. “The little ones love having their own house and being able to run around everywhere,” Elmer said. “Just when we were about to give up, you helped our dreams come true!”

CASE STUDY: Small business expands footprint

The goal of Cultured Kombucha Co. of Traverse City, Michigan, is to make the best kombucha possible, and the small business is off to a great start with an Elevate grant of \$20,000 through our member Oxford Bank. Cultured used the funds to expand their footprint and get their products into eager hands. “In this expansion we will triple our production capacity as we partner with new retailers,” company founder Courtney Lorenz said. “Our tenacity as a bootstrapped start-up has set us up for success, positioning ourselves in the marketplace as an emerging brand. Cultured is ready to increase our community impact and fully live our mission to ‘Help our customers make healthier lifestyle choices – one sip at a time.’ We are grateful for FHLBank Indianapolis and the Elevate grant initiatives that give back and support small businesses who strive daily – like ours – to make an impactful difference within their community.”

[Click for FHLBank Indianapolis’ 2023 Impact report](#)

FHLBANK NEW YORK



Federal Home Loan Bank of New York (FHLBank New York) has strengthened communities and increased homeownership across New York, New Jersey, the U.S. Virgin Islands, and Puerto Rico by providing liquidity for member institutions.

Community Development Through Flexible Funding

We launched the [Zero Percent Development Advance \(ZDA\)](#) in July 2023 to subsidize our members in supporting loan origination or purchase. With ZDA, we offered Climate Development Advance, Infrastructure Development Advance, and Tribal Development Advance. Members provide below market rate financing for small businesses, energy efficiency and climate resiliency, infrastructure development, and Native American housing and community support. ZDA gives members the flexibility to tailor their lending products to serve their communities, resulting in \$106 million in subsidized advances and \$8.7 million in interest credits for the lifetime of advances.

Helping Small Businesses Overcome Economic Challenges

First launched in 2017, the [Small Business Recovery Grant Program \(SBRG\)](#) likewise provides flexible funding to members that distribute grants to eligible small businesses and non-profit organizations. SBRG supports the financial security of small businesses that face economic challenges due to the interest rate environment, inflation, supply chain constraints, and rising energy costs. In 2023, we partnered with 106 members to deliver 916 grants totaling \$5 million to small businesses.

CASE STUDY: Supporting expansion of behavioral health nonprofit



SERV Behavioral Health.

Valley Bank closed a \$1.8 million term loan with a 0% interest rate for SERV Behavioral Health System. SERV, a New Jersey-based not-for-profit behavioral health care organization, serves adults and children working to recover from a serious mental illness or cope with a developmental disability. The savings earned through this 0% interest rate will enable SERV to expand and improve its offerings.

“We are proud to be a part of this program and provide financing to SERV Behavioral Health System Inc., to support their mission of transforming lives through compassionate care and personal empowerment.”

Ira Robins, Valley Bank



Geneva American Legion receiving a \$10,000 SBRG award from Finger Lakes Federal Credit Union.

VOICE OF MEMBER: Small Business Recovery Grant Program

Merchants Commercial Bank Union awarded a \$10,000 grant to My Brother’s Workshop Cafe and Bakery, a small business located in the U.S. Virgin Islands.

“Small and large businesses alike are the backbone of our community, and as a bank focused on providing service to the commercial sector, we understand the challenges they face especially during uncertain times.”

Valdamier Collens, Merchants Commercial Bank Union



My Brother's Workshop Cafe.

[Click for FHLBank New York’s 2023 Annual Report to Members](#)

FHLBANK PITTSBURGH



At the Federal Home Loan Bank of Pittsburgh (FHLBank Pittsburgh), we stay true to our mission to design and innovate programs that support economic growth and financial well-being of the communities we serve.

Funding for Small Businesses

For more than 20 years, [Banking On Business \(BOB\)](#) has boosted small business growth and development. BOB grants secondary, unsecured loans of up to \$200,000, giving small businesses credit that would otherwise not be available.

Within BOB, we set up the Banking On Business Inclusion and Equity fund (BOBIE), a special purpose credit program focusing some of the BOB funds on minority- and/or women-owned small businesses. BOBIE offers more flexible terms than are otherwise available under BOB.

In 2023, under BOB, we committed \$3.4 million to support 32 small businesses and create and retain more than 300 jobs. Under BOBIE, we committed \$5.2 million to 40 women- and/or minority-owned small businesses, assisting in creating and retaining 394 jobs.



Grand opening of the Country Fresh Market & Hardware store with FHLBank Pittsburgh President and CEO Winthrop Watson (fourth from left).

CASE STUDY: Family-owned local market grand opening made possible through BOBIE loan

First Columbia Bank & Trust Co., an FHLBank Pittsburgh member, secured BOBIE funding on behalf of Country Fresh Market & Hardware and provided an additional loan. The BOBIE loan went to purchasing new freezers, freeing up space for the new hardware store.

“When we purchased the market, we had a vision for not only maintaining the local shopping options already available to the community but expanding those to help the community thrive.”

Brooke Nickles, Country Fresh Market and Hardware

Funding for Homelessness Intervention

We have continued our commitment to serving people experiencing homelessness or at risk of becoming homeless through our [Home4Good program](#), which is offered in partnership with our three state housing finance agencies. Home4Good provides flexible grants to fund projects, programs, and activities to homelessness service providers, allowing these providers to focus on prevention, diversion, critical need, and innovation. We contributed \$3.5 million to Home4Good in 2023, more than two times that of the previous year (\$1.5 million contributed in 2022). Our partner housing finance agencies contributed an additional \$2.4 million, and our combined contributions supported 90 homeless services projects. The funding went toward a variety of projects supporting housing stability, outreach services, emergency shelters, and legal assistance and advocacy.



The Society of Saint Vincent de Paul Council of Pittsburgh food packing volunteer event.

VOICE OF STAKEHOLDER: Home4Good award goes towards populations experiencing housing instability

The Society of Saint Vincent de Paul Council of Pittsburgh received a \$75,000 Home4Good award, which is jointly offered by FHLBank Pittsburgh and the state finance agency. These funds support life-stabilizing services, community connections, and sustainable solutions.

“Home4Good allowed us to sustain the Direct Assistance Fund and capacity building. Our goal for this fund is to address emergency needs, like housing and food insecurity, and to provide a path to sustainable solutions for our neighbors in need.”

Ricardo Luckow, The Society of Saint Vincent de Paul Council of Pittsburgh

[Click for FHLBank Pittsburgh’s 2023 Impact report](#)



Federal Home Loan Bank of San Francisco (FHLBank San Francisco) promotes affordable housing, equitable access to sustainable homeownership, and community economic development.

Narrowing the Racial Homeownership Gap

In 2023, we renewed our [Empowering Black Homeownership program](#) with a \$2 million commitment to match grants our members make for HUD-approved Housing Counseling Agencies (HCAs) to expand capacity. These agencies serve aspiring and at-risk homeowners in communities of color, supporting homeownership and intergenerational wealth building. This year’s funding represents a doubling of the program’s previous year’s inaugural funding. The funds support HUD-eligible activities, including staffing, marketing, and pre- and post-purchase counseling.

VOICE OF MEMBER: Empowering Black Homeownership matching grant program

“ Neighborhood Housing Services has witnessed countless lives transformed by FHLBank San Francisco’s commitment to supporting affordable homeownership... We’re thrilled that the Empowering Black Homeownership initiative is being renewed, and we know it will continue to help Black families and individuals succeed in achieving future homeownership. We know that the key to generational wealth building is to own a home, affordably. We welcome the commitment of the FHLBank and its members to helping communities of color flourish through empowerment and opportunity.

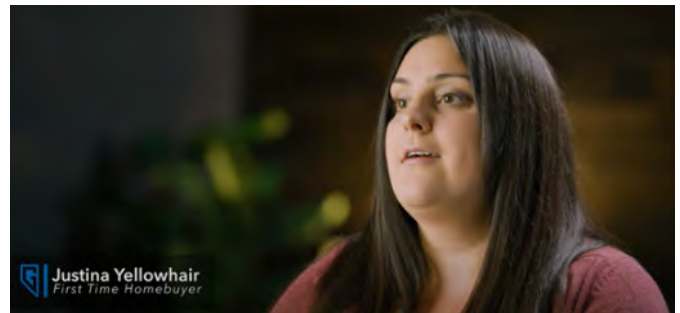
Lori Gay, Neighborhood Housing Services of Los Angeles County



Staff at Neighborhood Housing Services of Los Angeles, an Empowering Black Homeownership grant program recipient.

Enabling Homeownership for Middle-income Families

We also developed a \$10 million [Middle-Income Downpayment Assistance matching grant](#) pilot program to promote affordable homeownership in high-cost areas of our district. The program supported first-time homebuyers who earn between 80% to 140% of the area median income and helped put sustainable homeownership within reach for families and individuals who might not qualify for other down payment assistance programs – including some of the most essential members of our community, such as teachers, police officers, firefighters, and administrators. We recognize the increasing struggle for middle-income households as they are squeezed by high interest rates and an already high-cost housing market. To date, the program’s \$50,000 grants, delivered in partnership with 31 members, have opened the door to sustainable homeownership for 216 qualifying families in Arizona, California, and Nevada.



Justina Yellowhair and her husband Sonny both grew up on Native American reservations. Currently a stay-at-home mom pursuing a doctoral degree, Justina thought their dream of homeownership was impossible. But thanks to help from Greater Nevada Mortgage, the Yellowhairs secured a \$50,000 grant from FHLBank San Francisco’s Middle-Income Downpayment Assistance program to help purchase a home of their own. [\(Click for video\)](#)

VOICE OF MEMBER: Greater Nevada Credit Union helping families realize homeownership

“ We knew this program would make an immediate and significant impact for many middle-income families and first-time homebuyers seeking housing... Homeownership can help build generational wealth, and for many people in what’s called the ‘missing middle,’ it can be challenging to get a foot in the door. This program allows hard-working members of our community to secure a brighter, more financially secure future.

James Anderson, Greater Nevada Credit Union

[Click for FHLBank San Francisco’s 2023 Impact report](#)

FHLBANK TOPEKA



The Federal Home Loan Bank of Topeka (FHLBank Topeka) is unique because most of its members have assets less than \$1.3 billion. We focus on supporting these small members so they can be a crucial source of funding for their communities.

Supporting our Small Community Financial Institution Members

As part of our commitment, we accept Community Financial Institution (CFI) collateral. These include small business, small farm, small agribusiness, and community development loans and securities. During the past 24 months, we saw a 33% increase in the residential and multifamily loans provided by CFIs to their customers, and a 51% increase in residential and multifamily loans pledged by CFIs to FHLBank Topeka.

We accept the highest percentage of CFI collateral in the FHLBank System, which amounts to \$19 billion of the \$45 billion of CFI collateral pledged at the FHLBanks overall. This shows our flexibility in catering to our membership base and entrusting them to increase impact in their communities.

CASE STUDY: Recognizing our members' community impact

In 2023, Bruning Bank received our annual [Community Leader award](#), recognizing outstanding vision and leadership within their communities. Through programs such as their employee-choice donations, Bruning Bank was able to support the local needs of each of their locations.

“We are honored to receive this community award... Our strong relationship with FHLBank Topeka helps us to create more opportunities for our customers and communities.”

*Fred D. Bruning,
Bruning Bank*



Bruning Bank employees are recognized for the bank's contribution to their community.

Promoting Affordable Housing for Native Communities

In 2023, we committed to increase our annual contribution to affordable housing and community development initiatives by 50%. This voluntary increase enabled us to create a new [Native American Housing Initiatives grants program](#) (NAHI). NAHI provides flexible funding to local organizations supporting housing for Native Americans. We initially pledged \$1 million to NAHI at its launch, and upon recognizing the prevalent community need and the influx of promising applications, we have increased our contribution to \$3 million. Eight projects were awarded grants ranging from \$250,000 to \$500,000. Examples of awardees and initiatives supported through our grants include a 12-room youth homeless shelter, assistance with home repairs for tribal elders, and support for down payments for Native American homeowners.

CASE STUDY: Helping community center for tribal elders become reality

The Housing Authority of the Cherokee Nation, in partnership with Chickasaw Community Bank, secured a \$500,000 NAHI grant to help build a community center for tribal elders – which also serves as a storm shelter.



Chickasaw Community Bank and the Cherokee Nation receiving a check from FHLBank Topeka.



Rendering of Community Center plans.

[Click for FHLBank Topeka's CSR report](#)

SELECTED DATA POINTS

The FHLBanks have **\$1.3 trillion** in combined assets.

The FHLBanks have **3,420** employees.

The FHLBanks have more than **6,500** members.

72% of collateral pledged to the FHLBanks was housing-related.

FHLBanks advances outstanding were **\$810 billion** as of December 31, 2023, peaked at over **\$1 trillion** on March 31, 2023.

Mortgage loans held were **\$61.3 billion**.

9 out of 11 FHLBanks operate mortgage purchase programs.

The notional amounts of our outstanding standby letters of credit were **\$203 billion**.

Outstanding member advances increased by **25%** from the previous quarter, at the onset of the COVID-19 pandemic in Q1 2020.

During the week of March 13, 2023, we raised more than **\$300 billion** of financing to support our members.

Advances outstanding were **\$1,045 billion** and COs outstanding were **\$1,459 billion** as of March 31, 2023.

CDFI membership grew by **18%** from 2018 to 2023.

FHLBank mortgage purchase activity increased by **9%** in 2023, compared to 2022.

Our 2022 income has made available **\$355 million** for AHP, for use in 2023, awarding funding to assist more than **14,500** families with homeownership.

The AHP competitive program awarded funding to create more than **20,500** housing units, **77%** of which were dedicated to multifamily projects, including **198** projects with **20%** of units dedicated to homeless households.

Through AHP set-aside programs, we supported more than **10,700** first-time homebuyers.

Our 2023 income has made available **\$752 million** for AHP, for use in 2024.

In 2023, the FHLBanks expensed **\$180 million** in voluntary contributions to housing and community investment programs.

As of December 31, 2023, the FHLBanks had **\$9.5 billion** CIP advances outstanding for housing, with **\$4.9 billion** committed through CIP for housing in 2023, contributing to the creation or retention of more than **37,000** housing units, **70%** of which are owner-occupied.

In 2023, the FHLBanks funded **\$2.5 billion** in CICA economic development advances.

CICA Programs funds were committed to help businesses create and preserve over **10,000** jobs.

Women held **43%** of positions within the FHLBank System, and minorities represented **39%**.

30% of board members within the FHLBank System were women and **27%** were minorities.

20 of the 65 dealers who underwrite our debt identify as diverse-owned businesses.

Diverse dealers have increased the percentage of FHLBank debt issuance they underwrite from **2.5%** in 2016 to **15%** in 2023.

In 2023, our spending with vendors – including those owned by women, minorities, and individuals with disabilities, as well as diverse spend with non-diverse-owned businesses – totaled **\$134 million**.

Regulatory capital/assets ratio: **5.7%** actual capital exceeded FHFA regulation minimum by just under 2 percentage points.

Leverage capital/assets ratio: **8.6%** actual capital exceeded FHFA regulation minimum by just under 4 percentage points.

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54 “5 Ways Whole Communities Can Benefit From Affordable Housing,” United Way, March 14, 2024.

55 Ibid.

56 Special needs includes the elderly; persons with disabilities; formerly incarcerated persons; persons recovering from physical abuse or alcohol or drug abuse; victims of domestic violence, dating violence, sexual assault or stalking; persons with HIV/AIDS; or unaccompanied youth; or the financing of housing that is visitable by persons with physical disabilities who are not occupants of such housing. See 12 C.F.R. § 1291.26(e)(2).

57 Combined Financial Report p.22, Federal Home Loan Banks, for the Year ended December 31, 2023. The amount of funds awarded and/or disbursed annually may include funding adjustments/awards returned from prior years or funds accelerated from future years. In these circumstances, an FHLBank’s amount of awarded and/or disbursed funds may differ from the statutorily required contribution of funds. Note: As a result, this also impacts the number of housing units, families with homeownership, and projects awarded and/or disbursed.

58 Data Reporting Manual (DRM) data sets submitted by FHLBanks’ Community Investment Departments to the FHFA, 2023. The amount of funds awarded and/or disbursed annually may include funding adjustments/awards returned from prior years or funds accelerated from future years. In these circumstances, an FHLBank’s amount of awarded and/or disbursed funds may differ from the statutorily required contribution of funds. Note: As a result, this also impacts the number of housing units, families with homeownership, and projects awarded and/or disbursed.

59 Ibid.

60 Data Reporting Manual (DRM) data sets submitted by FHLBanks’ Community Investment Departments to the FHFA, 2023. Competitive AHP program support is based on funds awarded in 2023, whereas, AHP set-aside program support is based on funds disbursed to households in 2023 (homes purchased or rehabilitated in 2023. Because FHLBanks may carry forward returned, uncommitted, or unused AHP funds from prior years, or accelerate AHP funds from future years, allocation totals may differ from actual disbursements.

61 Combined Financial Report p.22, Federal Home Loan Banks, for the Year ended December 31, 2023. The amount of funds awarded and/or disbursed annually may include funding adjustments/awards returned from prior years or funds accelerated from future years. In these circumstances, an FHLBank’s amount of awarded and/or disbursed funds may differ from the statutorily required contribution of funds. Note: As a result, this also impacts the number of housing units, families with homeownership, and projects awarded and/or disbursed.

62 Affordable Housing Program 2018 Funding Round, FHLBank Pittsburgh, 2018.

63 Combined Financial Report p.51, Federal Home Loan Banks, for the Year ended December 31, 2023.

64 Combined Financial Report p.23, Federal Home Loan Banks, for the Year ended December 31, 2023.

65 Data Reporting Manual (DRM) data sets submitted by FHLBanks' Community Investment Departments to the FHFA, 2023. Total advance commitments include CIP advance commitments where an initial disbursement occurred. Excludes rollovers and refinancings of previous advances.

66 Combined Financial Report p.23, Federal Home Loan Banks, for the Year ended December 31, 2023.

67 Data Reporting Manual (DRM) data sets submitted by FHLBanks' Community Investment Departments to the FHFA, 2023.

68 Combined FHLBanks data, FHLBanks, for the Year ended December 31, 2023; workforce data is from Combined Financial Report p.26, Federal Home Loan Banks, for the Year ended December 31, 2023. Note: Individuals who did not self-identify as minority or women are included in the not minority or not women category.

69 "Getting Serious About Diversity: Enough Already with the Business Case," Robin Ely and David Thomas, Harvard Business Review, 2020.

70 "Inclusion Isn't Just Nice. It's Necessary.," Gabrielle Novacek, Nadjia Yousif, Ashley Dartnell, Mario Farsky, Seema Bansal, Gretchen May, and Alex Zborowski, Boston Consulting Group, February 2023.

71 Combined Financial Report p.26, Federal Home Loan Banks, for the Year ended December 31, 2023.

72 Combined FHLBanks data for board diversity composition, FHLBanks, for the Year ended December 31, 2023. Note: Individuals that did not self-identify as minority or women are included in the not minority or not women category.

73 Authorized Dealers List, FHLBanks Office of Finance, as of December 7, 2023.

74 OF D&I Metrics - Dealers (quarterly report), FHLBanks Office of Finance.

75 Combined FHLBanks data, FHLBanks, for the Year ended December 31, 2023.

76 Combined Financial Report pp.F-56 to F-58, Federal Home Loan Banks, for the Year ended December 31, 2023.

77 Combined Financial Report p.F-56, Federal Home Loan Banks, for the year ended December 31, 2023; Risk-Based Capital: Each FHLBank must maintain at all times permanent capital, defined as the amounts paid-in for Class B stock and retained earnings, in an amount at least equal to the sum of its credit risk, market risk, and operational risk capital requirements, all of which are calculated in accordance with the rules and regulations of the FHFA.

78 Combined Financial Report p.F-56, Federal Home Loan Banks, for the year ended December 31, 2023; Regulatory Capital: Each FHLBank must maintain at all times a total capital-to-assets ratio of at least four percent. Regulatory capital is the sum of permanent capital, the amounts paid-in for Class A stock, any general loss allowance, if consistent with GAAP and not established for specific assets, and other amounts from sources determined by the FHFA as available to absorb losses.

79 Combined Financial Report p.F-56, Federal Home Loan Banks, for the year ended December 31, 2023; Leverage Capital: Each FHLBank must maintain at all times a leverage capital-to-assets ratio of at least five percent. Leverage capital is defined as the sum of permanent capital weighted 1.5 times and all other components of total capital.

80 The Enhanced Fujita Scale or EF Scale, which became operational on February 1, 2007, is used to assign a tornado a 'rating' based on estimated wind speeds and related damage, National Weather Service.

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