



Mutual Alert **FHFA Shapes the Future of FHLBank System in New Report**

The Federal Housing Finance Agency (FHFA) released a **new report** on Tuesday outlining the agency's targeted outlook for the Federal Home Loan Bank System as it approaches its centennial milestone.

More than a year after FHFA launched its comprehensive review of the system – which included robust feedback from stakeholders – the agency has used its findings from the **FHLBank System at 100: Focusing on the Future** initiative to ensure the system fulfills its mission of providing stable and reliable liquidity to members and supporting housing and community development needs in the communities their members have a presence in.

The report contains a number of recommendations to help FHLBanks to fulfill that mission, organized into four themes: Mission of the FHLBank System; Stable and reliable source of liquidity; Housing and community development; and FHLBank System operational efficiency, structure and governance.

Some of the actions proposed in the FHFA report include at least two rulemakings, changes to the Bank Act, membership expansion and consolidation, and risk management authority. Additional recommendations involve additional stress testing for FHLBanks, revisions to AHP regulation, and increased financing for Community Investment Programs (CIPs) and Community Investment Cash Advancement (CICA) programs. AMB has shared its views with the FHFA on the special reliance of mutuals on the FHLBank system, meeting with senior staff and individual FHLBank members, and the report reflects this view.

While the actions outlined in the report are part of a multi-year effort, the FHFA is using its current authority to implement a number of changes. The agency has also begun to provide guidance and address issues with FHLBank members and has been in contact with regulators and stakeholders for coordinated efforts in the future.

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