

News Release

FHFA ISSUES PROPOSED RULE ON FEDERAL HOME LOAN BANK HOUSING GOALS

FOR IMMEDIATE RELEASE

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Washington, D.C. – The Federal Housing Finance Agency (FHFA) is seeking comments on proposed amendments to the existing regulation for the Federal Home Loan Bank (FHLBank) Housing Goals.

The proposed rule would:

- Set a single prospective mortgage purchase housing goal as a share of each FHLBank's total Acquired Member Asset (AMA) purchases;
- Set a new small member participation housing goal for participation by small institutions;
- Eliminate the volume threshold and instead allow FHLBanks to propose different goals levels for mortgage purchases and small member participation, subject to FHFA approval; and
- Simplify and expand the eligibility criteria to enable federally backed loans to count for goals purposes.

The Federal Home Loan Bank Act requires that the Director of FHFA establish housing goals with respect to the purchase of mortgages, if any, by the FHLBanks. The goals should be consistent with those for Fannie Mae and Freddie Mac while considering the unique mission and ownership structure of the FHLBanks. FHLBanks purchase mortgages through the AMA program. FHLBank participation in the AMA program is voluntary.

FHFA issued a final rule in December 2010 that subjects a FHLBank to the housing goals if in a given year a FHLBank's AMA purchases exceed a volume threshold of \$2.5 billion. When triggered, existing housing goals compare FHLBank performance to market levels.

“To be successful housing goals should lead the FHLBanks to make affordable housing part of their business plans for AMA,” said FHFA Director Melvin L. Watt. “The overall approach of the proposed amendments will encourage FHLBanks and their members to build on the strengths of the AMA program to assist targeted borrower groups in a safe and sustainable manner.”

FHFA invites interested parties to submit comments on the proposed rule via FHFA.gov within 90 days of publication in the Federal Register or via mail, FHFA, Eighth Floor, 400 Seventh Street SW, Washington D.C. 20219. FHFA will also hold a webinar on the proposed rule on Nov. 8 at 2 p.m. EST to explain the proposed rule and answer questions. Register for the webinar [here](#).

[Link to Proposed Rule](#)

Link to Fact Sheet: [Proposed Rule on FHLBank Housing Goals](#)

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