

FEDERAL HOUSING FINANCE AGENCY

[No. 2020–N–4]

Notice of Annual Adjustment of the Cap on Average Total Assets That Defines Community Financial Institutions

AGENCY: Federal Housing Finance Agency.

ACTION: Notice.

SUMMARY: The Federal Housing Finance Agency (FHFA) has adjusted the cap on average total assets that is used in determining whether a Federal Home Loan Bank (Bank) member qualifies as a “community financial institution” (CFI) to \$1,224,000,000, based on the annual percentage increase in the Consumer Price Index for all urban consumers (CPI–U), as published by the Department of Labor (DOL). These changes took effect on January 1, 2020.

FOR FURTHER INFORMATION CONTACT: James Hedrick, Division of Federal Home Loan Bank Regulation, (202) 649–3319, James.Hedrick@fhfa.gov; or Eric M. Raudenbush, Associate General Counsel, (202) 649–3084, Eric.Raudenbush@fhfa.gov, (not toll-free numbers), Federal Housing Finance Agency, Constitution Center, 400 Seventh Street SW, Washington, DC 20219. The Telecommunications Device for the Deaf is (800) 877–8339.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

The Federal Home Loan Bank Act (Bank Act) confers upon insured depository institutions that meet the statutory definition of a CFI certain advantages over non-CFI insured depository institutions in qualifying for Bank membership, and in the purposes for which they may receive long-term advances and the collateral they may pledge to secure advances.¹ Section 2(10)(A) of the Bank Act and § 1263.1 of FHFA’s regulations define a CFI as any Bank member the deposits of which are insured by the Federal Deposit Insurance Corporation and that has average total assets below the statutory cap.² The Bank Act was amended in 2008 to set the statutory cap at \$1 billion and to require FHFA to adjust the cap annually to reflect the percentage increase in the CPI–U, as published by the DOL.³ For 2019, FHFA set the CFI asset cap at \$1,199,000,000, which reflected a 2.2 percent increase

over 2018, based upon the increase in the CPI–U between 2018 and 2019.⁴

II. The CFI Asset Cap for 2020

As of January 1, 2020, FHFA has increased the CFI asset cap to \$1,224,000,000, which reflects a 2.1 percent increase in the unadjusted CPI–U from November 2018 to November 2019. Consistent with the practice of other Federal agencies, FHFA bases the annual adjustment to the CFI asset cap on the percentage increase in the CPI–U from November of the year prior to the preceding calendar year to November of the preceding calendar year, because the November figures represent the most recent available data as of January 1st of the current calendar year. The new CFI asset cap was obtained by applying the percentage increase in the CPI–U to the unrounded amount for the preceding year and rounding to the nearest million, as has been FHFA’s practice for all previous adjustments.

In calculating the CFI asset cap, FHFA uses CPI–U data that have not been seasonally adjusted (*i.e.*, the data have not been adjusted to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year). The DOL encourages use of unadjusted CPI–U data in applying “escalation” provisions such as that governing the CFI asset cap, because the factors that are used to seasonally adjust the data are amended annually, and seasonally adjusted data that are published earlier are subject to revision for up to five years following their original release. Unadjusted data are not routinely subject to revision, and previously published unadjusted data are only corrected when significant calculation errors are discovered.

Dated: January 14, 2020.

Andre D. Galeano,

Deputy Director, Division of Federal Home Loan Bank Regulation, Federal Housing Finance Agency.

[FR Doc. 2020–00929 Filed 1–21–20; 8:45 am]

BILLING CODE 8070–01–P

FEDERAL HOUSING FINANCE AGENCY

[No. 2020–N–3]

Proposed Collection; Comment Request

AGENCY: Federal Housing Finance Agency.

ACTION: 60-Day notice of submission of information collection for approval from Office of Management and Budget.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Federal Housing Finance Agency (FHFA) is seeking public comments concerning an information collection known as “Community Support Requirements,” which has been assigned control number 2590–0005 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three-year extension of the control number, which is due to expire on March 31, 2020.

DATES: Interested persons may submit comments on or before March 23, 2020.

ADDRESSES: Submit comments to FHFA, identified by “Proposed Collection; Comment Request: ‘Community Support Requirements, (No. 2020–N–3)’” by any of the following methods:

- *Agency website:* www.fhfa.gov/open-for-comment-or-input.
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the *Federal eRulemaking Portal*, please also send it by *email* to FHFA at RegComments@fhfa.gov to ensure timely receipt by the agency.
- *Mail/Hand Delivery:* Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW, Washington, DC 20219, ATTENTION: Proposed Collection; Comment Request: “Community Support Requirements, (No. 2020–N–3).”

We will post all public comments we receive without change, including any personal information you provide, such as your name and address, email address, and telephone number, on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public through the electronic comment docket for this PRA Notice also located on the FHFA website.

FOR FURTHER INFORMATION CONTACT:

Deatra D. Perkins, Senior Policy Analyst, Division of Housing Mission & Goals, Deatra.Perkins@fhfa.gov, (202) 649–3133; or Eric Raudenbush, Associate General Counsel, Eric.Raudenbush@fhfa.gov, (202) 649–3084, (these are not toll-free numbers), Federal Housing Finance Agency, 400 Seventh Street SW, Washington, DC 20219. The Telecommunications Device for the Deaf is (800) 877–8339.

SUPPLEMENTARY INFORMATION:

¹ See 12 U.S.C. 1424(a), 1430(a).

² See 12 U.S.C. 1422(10)(A); 12 CFR 1263.1.

³ See 12 U.S.C. 1422(10)(B); 12 CFR 1263.1 (defining the term *CFI asset cap*).

⁴ See 84 FR 2225 (Feb. 6, 2019).

A. Background

The Federal Home Loan Bank System (System) consists of eleven regional Federal Home Loan Banks (Banks) and the Office of Finance (a joint office of the Banks that issues and services their debt securities). The Banks are wholesale financial institutions, organized under authority of the Federal Home Loan Bank Act (Bank Act) to serve the public interest by enhancing the availability of residential housing finance and community lending credit through their member institutions and, to a limited extent, through eligible non-member "housing associates." Each Bank is structured as a regional cooperative that is owned and controlled by member financial institutions located within its district, which are also its primary customers.

Section 10(g)(1) of the Bank Act requires the Director of FHFA to promulgate regulations establishing standards of community investment or service that Bank member institutions must meet in order to maintain access to long-term advances (*i.e.*, loans with a maturity of five years or greater made by a Bank to a member).¹ Section 10(g)(2) of the Bank Act requires that, in establishing these community support requirements for Bank members, FHFA take into account factors such as the member's performance under the Community Reinvestment Act of 1977 (CRA)² and record of lending to first-time homebuyers.³ FHFA's community support regulation, which establishes standards and review criteria for determining compliance with section 10(g) of the Bank Act, is set forth at 12 CFR part 1290.

Part 1290 requires that each Bank member subject to community support review submit to FHFA biennially a completed Community Support Statement (Form 060), which contains several short questions the answers to which are used by FHFA to assess the responding member's compliance with the community support standards.⁴ Members are strongly encouraged to complete and submit Form 060 online, but may submit a version via email or fax if they cannot complete the submission online. In part I of the Form, a member that is subject to the CRA must record its most recent CRA rating and the year of that rating. Part II of the

Form addresses a member's efforts to assist first-time homebuyers. A member may either record the number and dollar amount of mortgage loans made to first-time homebuyers in the previous or current calendar year (part II.A), or indicate the types of programs or activities it has undertaken to assist first-time homebuyers by checking selections from a list (part II.B), or do both. If a member has received a CRA rating of "Outstanding," it need not complete part II of the Form. A copy of the current Form and related instructions appear at the end of this Notice.

Part 1290 also establishes the circumstances under which FHFA will restrict a member's access to long-term Bank advances and to Affordable Housing Program (AHP), Community Investment Program (CIP) and Community Investment Cash Advance (CICA) programs for failure to meet the community support requirements.⁵ It permits Bank members whose access to long-term advances has been restricted to apply directly to FHFA to remove the restriction if certain criteria are met.⁶

B. Need for and Use of the Information Collection

FHFA uses the information collection contained in FHFA Form 060 and part 1290 to determine whether Bank members satisfy the statutory and regulatory community support requirements and to ensure that, as required by statute and regulation, only Bank members that meet those requirements maintain continued access to long-term Bank advances and to AHP, CIP, and CICA programs.

The OMB control number for this information collection is 2590-0005, which is due to expire on March 31, 2020. The respondents are Bank member institutions.

C. Burden Estimate

FHFA has analyzed the two facets of this information collection in order to estimate the hour burdens that the collection will impose upon Bank members annually over the next three years. Based on that analysis, FHFA estimates that the total annual hour burden will be 2,154 hours. The method FHFA used to determine the annual hour burden for each facet of the information collection is explained in detail below.

1. Community Support Statements

There are currently about 6,800 Bank members. Most of these are required to

submit a completed Community Support Statement biennially, with members that are non-depository community development financial institutions (CDFIs) or that have been members for less than one year as of March 31st of the year submission is required exempted from the submission requirement. Based on the facts that there were 60 non-depository CDFI Bank members as of September 30, 2019, and that the average annual number of new Bank members system-wide was about 140 over the last three years, FHFA estimates that about 6,600 members will be required to submit the biennial statement over each of the next several cycles, which corresponds to an annual average of 3,300 respondents. FHFA estimates that the average preparation time for each Community Support Statement will be 0.65 hours. The estimate for the total annual hour burden on Bank members in connection with the preparation and submission of Community Support Statements is 2,145 hours (3,300 Statements × 0.65 hours).

2. Requests To Remove a Restriction on Access to Long-Term Advances

FHFA estimates that an annual average of 12 Bank members whose access to long-term advances and to AHP, CIP, and CICA programs has been restricted will submit requests to FHFA to remove those restrictions, and that the average preparation time for each request will be 0.75 hours. The estimate for the total annual hour burden on members in connection with the preparation and submission of requests to remove a restriction on access to long-term advances is 9 hours (12 requests × 0.75 hours).

D. Comment Request

FHFA requests written comments on the following: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of FHFA's estimates of the burdens of the collection of information; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Dated: January 15, 2020.

Kevin Winkler,
Chief Information Officer, Federal Housing
Finance Agency.

BILLING CODE 8070-01-P

¹ See 12 U.S.C. 1430(g)(1).

² 12 U.S.C. 2901 *et seq.*

³ See 12 U.S.C. 1430(g)(2).

⁴ See 12 CFR 1290.2. Non-depository community development financial institutions and institutions that have been Bank members for less than one year as of March 31 of the year the forms are due are not required to submit Form 060.

⁵ See 12 CFR 1290.5(b), (e).

⁶ See 12 CFR 1290.5(d).



FEDERAL HOUSING FINANCE AGENCY
COMMUNITY SUPPORT PROGRAM
COMMUNITY SUPPORT STATEMENT

(see instructions page 2)

FHFA Federal Home Loan Bank (FHLBank) Member ID Number: *[online form: Member fills in]*
Name of FHLBank Member Institution: *[online form: FHFA automatically fills in once the member enters its FHFA ID Number]*
Mailing Address: *[online form: FHFA fills in]*
City: *[online form: FHFA fills in]* **State:** *[online form: FHFA fills in]* **Zip Code:** *[online form: FHFA fills in]*
Submitter Name: *[online form: Member fills in]* **Title:** *[online form: Member fills in]*
Work Email: *[Member fills in and used for validation purposes only]*

Part I. Community Reinvestment Act (CRA) Standard:

Most recent federal CRA rating: *[online form: drop down list]* Year of most recent federal CRA rating: *[online form: drop down list]*

Part II. First-time Homebuyer Standard: All Federal Home Loan Bank members must complete either Section A or B of this part, except that members with "Outstanding" federal CRA ratings need not complete this part. Members should use data or activities for the previous or current calendar year in completing this part.

A. Complete the following two questions: If your institution did not make, or did not track, mortgage loans to first-time homebuyers, you must complete Section B of this part. *[online form: Member completes]*

- 1. Number of mortgage loans made to first-time homebuyers # _____
- 2. Dollar amount of mortgage loans made to first-time homebuyers \$ _____

B. Check as many as applicable:

- 1. Offer in-house first-time homebuyer program (e.g., underwriting, marketing plans, outreach programs) _____
- 2. Offer other in-house lending products that serve first-time or low- and moderate-income homebuyers _____
- 3. Offer flexible underwriting standards for first-time homebuyers _____
- 4. Participate in nationwide first-time homebuyer programs (e.g., Fannie Mae, Freddie Mac) _____
- 5. Participate in federal government programs that serve first-time homebuyers (e.g., FHA, VA, USDA RD) _____
- 6. Participate in state or local government programs targeted to first-time homebuyers (e.g., mortgage revenue bond financing) _____
- 7. Provide financial support or technical assistance to community organizations that assist first-time homebuyers _____
- 8. Participate in loan consortia that make loans to first-time homebuyers _____
- 9. Participate in or support special counseling or homeownership education targeted to first-time homebuyers _____
- 10. Hold investments or make loans that support first-time homebuyer programs _____
- 11. Hold mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers _____
- 12. Use affiliated lenders, credit union service organizations, or other correspondent, brokerage or referral arrangements with specific unaffiliated lenders, that provide mortgage loans to first-time or low- and moderate-income homebuyers _____
- 13. Participate in the Affordable Housing Program or other targeted community investment/development programs offered by the Federal Home Loan Bank _____
- 14. Other (attach description of other activities supporting first-time homebuyers; see instructions for Part II) _____
- 15. None of the above (attach explanation of any mitigating factors; see instructions for Part II) _____

Part III. Certification: By submitting this Community Support Statement, I certify that I am a senior official of the above institution, that I am authorized to provide this information to FHFA, and that the information in this Statement and any attachments is accurate to the best of my knowledge.

Sign: *[not on the online form; "Submit" button is equivalent]* _____ **Date:** *[not on the online form; date is automatic]* _____

Community Support Statement (FHFA Form 060) Instructions

Purpose: Section 10(g) of the Federal Home Loan Bank Act [12 U.S.C. § 1430(g)] sets forth the community support requirements. Under the Federal Housing Finance Agency's (FHFA) implementing community support regulation [12 CFR part 1290], FHFA is required to take into account a Federal Home Loan Bank (Bank) member's performance under the Community Reinvestment Act of 1977 [12 U.S.C. § 2901 et seq.] (federal CRA) and its record of lending to first-time homebuyers, in determining whether to maintain the member's access to long-term Bank advances and to a Bank's Affordable Housing Program (AHP) and targeted Community Investment Cash Advances (CICA) programs. For purposes of community support review, the term "long-term advances" means advances with a term to maturity greater than one year.

Part I. (CRA Standard): Members subject to the federal CRA must complete this part. Provide your institution's most recent federal CRA rating and the year of the rating. Credit unions and insurance companies, which are not subject to the federal CRA, should indicate "N/A" [i.e., not applicable] in the CRA rating field on this Community Support Statement. If your institution is not a credit union or insurance company and is not subject to the federal CRA, indicate the reason for the exemption. If a member's most recent federal CRA rating is "Needs to Improve," FHFA will place the member on probation. During the probationary period, the member will retain access to long-term Bank advances and Bank AHP and CICA programs. If the member does not receive an improved federal CRA rating at its next CRA evaluation, FHFA will restrict its prospective access to long-term Bank advances and Bank AHP and CICA programs. If a member's most recent federal CRA rating is "Substantial Non-compliance," FHFA will restrict the member's prospective access to long-term Bank advances and AHP and CICA programs. The restriction will remain in effect until the member's federal CRA rating improves.

Part II. (First-time Homebuyer Standard): All members, except those with "Outstanding" federal CRA ratings, must complete this part. A member may satisfy the first-time homebuyer standard either by: demonstrating lending performance to first-time homebuyers (Section A); or demonstrating other financial support or participation in programs, products, services or investments, that directly or indirectly assists first-time homebuyers (Section B); or by a combination of both factors. If none of the information requested in this part describes your institution's activities to support first-time homebuyers, you may attach a brief description of other activities of your institution that support first-time homebuyers, or a brief explanation of any mitigating factors that adversely affect your institution's ability to assist first-time homebuyers, such as charter or operational limitations or market conditions. If a member does not demonstrate assistance to first-time homebuyers or include an explanation of mitigating factors on this Community Support Statement, FHFA will restrict the member's prospective access to long-term Bank advances and Bank AHP and CICA programs. The restriction will remain in effect until the member submits applicable information to FHFA that demonstrates the member's compliance with the first-time homebuyer standard.

Part III. (Certification): All members must complete this part. A senior official of your institution with authorization to provide the information in this Community Support Statement must certify that the information in this Community Support Statement and any attachments are accurate to the best of his/her knowledge. If a member submits a Community Support Statement that does not include this required certification, FHFA will restrict the member's prospective access to long-term Bank advances and Bank AHP and CICA programs.

Assistance: Your institution's Federal Home Loan Bank has a Community Support Program Representative that can assist you in preparing this Community Support Statement. Please contact your FHLBank's Community Support Program Representative: <https://www.fhfa.gov/PolicyProgramsResearch/Programs/AffordableHousing/Documents/FHLBanks-CSP-Representatives.pdf>

Federal Housing Finance Agency
Division of Housing Mission and Goals
400 7th Street, S.W.
Washington, D.C. 20219

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

FHFA Form 060

OMB Number 2590-0005

Expires 03/31/2020

Page 2 of 2

[FR Doc. 2020-00933 Filed 1-21-20; 8:45 am]

BILLING CODE 8070-01-C

FEDERAL HOUSING FINANCE AGENCY

[No. 2020-N-2]

Proposed Collection; Comment Request**AGENCY:** Federal Housing Finance Agency.**ACTION:** 60-Day notice of submission of information collection for approval from Office of Management and Budget.**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Federal Housing Finance Agency (FHFA) is seeking public comments

concerning an information collection known as "Members of the Banks," which has been assigned control number 2590-0003 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three-year extension of the control number, which is due to expire on March 31, 2020.

DATES: Interested persons may submit comments on or before March 23, 2020.**ADDRESSES:** Submit comments to FHFA, identified by "Proposed Collection; Comment Request: 'Members of the Banks, (No. 2020-N-02)'" by any of the following methods:

- *Agency Website:* www.fhfa.gov/open-for-comment-or-input.
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the

instructions for submitting comments. If you submit your comment to the *Federal eRulemaking Portal*, please also send it by *email* to FHFA at RegComments@fhfa.gov to ensure timely receipt by the agency.

- *Mail/Hand Delivery:* Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW, Washington, DC 20219, ATTENTION: Proposed Collection; Comment Request: "Members of the Banks, (No. 2020-N-2)."

We will post all public comments we receive without change, including any personal information you provide, such as your name and address, email address, and telephone number, on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public through the