

**Mel C. Willie**  
**NeighborWorks America's Director of Native American Partnerships**  
**Response to written questions in advance of the**  
**the *FHLBank System at 100: Focusing on the Future* roundtable**  
**to be held on**  
**Thursday, December 8**

Thank you for the opportunity to submit written answers to the Federal Housing Finance Agency's (FHFA) questions in advance of the roundtable on December 8, 2022. As the Director of Native American Partnerships at NeighborWorks America® (formally, the Neighborhood Reinvestment Corporation) and throughout my career, I have been working to facilitate affordable, sustainable homeownership and community development opportunities for Native Americans. My comments are informed by my direct experiences before and while working with NeighborWorks, the nonprofit organizations that make up the NeighborWorks network (NWOs), and our partners working on or near Native Lands. My comments have not been submitted to, or approved by, NeighborWorks America's board and do not necessarily represent the views of its board members, either collectively or as individuals.

**Question 1. What is the single most important unmet need that a federal housing or community development program could help to address?**

Trust responsibility is at the center of the federal government's relationship with Tribal Nations. All federal programs and agencies have an obligation to fulfill the governments trust responsibility to Tribes. As government sponsored enterprises designed to support mortgage lending and related community investment in the United States, the Federal Home Loan Banks can institute a comprehensive effort to ensure that the institution is fulfilling its trust responsibility to Tribal communities and its people.

With that preface, the largest unmet need in housing and community development that could be addressed by the Federal Home Loan Banks is to increase access to capital for the benefit of tribal communities. The FHLB system relies heavily on its member financial institutions to provide the needed capital for housing and community development projects. However, there is a severe lack of financial institutions on tribal land areas which can create a gap to accessing the needed capital.

Capital investment can come in many forms. For example, while each FHLB has the ability to fund Native projects through its "out of district" awards and there has been Native projects funded through the targeted efforts of the FHLB of Des Moines, the application of such efforts could be standardized across all FHLB regions.

Further, the rise of Native CDFI's that provide loans and homeownership products has been a model that best fits the cultural and unique programmatic needs of tribal communities. Coupled with financial capability and homeownership training and counseling, the Native CDFI's are creating models and systems that go above and beyond those that the traditional financial institutions (banks) have instituted. With this in mind, the FHLB could create or invest in model programs where Native CDFIs are provided capacity building to become a member financial institution or are partnered with another institution that can partner with the CDFI to meet its homeownership and mortgage lending goals. Additionally, the FHLBs could explore the feasibility of creating a Native-only window for access to capital or allow for Native CDFI's to sell loans back the Federal Home Loan Bank to free up capital that can then be used for mortgage lending.

Finally, there are 574 Tribes across the United States. Access to the FHLB programs, including the training and technical assistance, should be standardized across every FHLB region. Each region should develop and consult with tribes on a comprehensive tribal outreach and engagement program.

**Question 2. If you could design a federal housing or community development program from scratch, what would be the key features?**

Building homeownership and/or multifamily homes on tribal land is complicated and riddled with regulatory challenges. Any further programming should take into account the overwhelming level of oversight that is already built into the housing and community development process on tribal land. New programming should be efficient and align with other existing federal programs. We would recommend that two or three of the FHLBs could begin to work on pilot programs designed to lift overlapping burdens. Lessons learned could be replicated and adapted to other tribal areas. Furthermore, tribes and tribal land is diverse. To meet the various needs of tribal communities, new programming must be flexible and the engagement with tribes should reflect the unique needs of the region.

**Question 3. Other bullet points outlining the points you would like to discuss**

No additional bullet points.