



Federal Housing Finance Agency

Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

Roundtable Recap: Climate Resiliency: Preparedness and Response, and Risk Management Considerations

Wilmington, NC | March 6, 2023

The *FHLBank System at 100: Focusing on the Future* roundtable discussion in Wilmington, North Carolina focused on climate resiliency and ways the FHLBank System can prepare and respond to climate change. Participants discussed the role of the FHLBanks, beyond managing their own risk. As a baseline, there was emphasis on the need for better access to climate risk information to understand risks on members' balance sheets. Participants suggested the FHLBanks hire climate risk officers and establish climate-related public disclosures to promote transparency. A recurring question was what the System's role should be when it comes to climate change, beyond protecting its own financial condition. At minimum, participants seemed to agree that the FHLBank System can act as a convener to bring different groups together for information sharing.

Participants discussed opportunities to incentivize energy-efficient and disaster resilient construction as well as encourage relocation to housing in less vulnerable locations, including by paying more favorable prices for mortgages on homes built in safer places or homes built with certain protections. Some participants also expressed support for direct investments by the FHLBanks in such development (or remediation projects) through expanding existing community investment programs or low-cost advance programs. However, others shared concerns with the potential cost on earnings and dividends to members.

In the aftermath of a climate event, some participants suggested the FHLBanks could provide post-disaster assistance; others suggested the focus be on the adequacy of insurance coverage and FEMA. Some participants also mentioned the importance of considering lower wealth communities and minority communities that are impacted disproportionately, while others argued that primary regulators of member banks should lead promoting member awareness.

FHFA prepared this roundtable recap to summarize key discussion points. Please [visit the website](#) to view the full roundtable transcript and video recording.