

Please note that this transcript reflects corrections to inaccuracies in the real time closed captioning in the roundtable video

Eric Howard:

Welcome to FHFA's Virtual Roundtable Discussion. This roundtable is being conducted in conjunction with the Federal Home Loan Bank System at 100, Focusing on the Future Initiative. This event is being recorded. Today, we will explore access to the Federal Home Loan Bank System in Guam and the Northern Mariana Islands. I would like to welcome our roundtable participants, as well as those who are livestreaming the discussion on FHFA's website. Also, I would like to say good morning to all of you. It's morning there, right? So, it's evening here. So, I think that that shows how far apart we are geographically. So, my name is Eric Howard and I'm a principal policy analyst in FHFA's Federal Home Loan Bank Affordable housing branch. And I'm joined by Renecia Glass. And she's a senior examiner in FHFA's office of Affordable housing programs Examinations.

So before we begin, I would like to provide some brief background information about the Federal Home Loan Bank system for the benefit of our viewers. The Federal Home Loan Bank system was created 90 years ago with the Federal Home Loan Bank Act as a government sponsored enterprise to support mortgage lending and related community investment. The federal Home Loan Bank system provides its members, which are Thrift institutions, commercial banks, credit unions, insurance companies and certified community development financial institutions with a source of funding for mortgages and asset liability management liquidity for their short term needs and additional funds for housing finance and community development. Approximately 80% of US lending institutions rely on the Federal Home Loan Banks. With that, let's discuss why we are here today. This roundtable is part of the second phase of our Federal Home Loan Bank System at 100, Focusing on the Future Initiative. In mid-2022, FHFA director Sandra Thompson announced that FHFA would begin a comprehensive review of the Federal Home Loan Bank system as a result of a responsible number of listening sessions and roundtable discussions. We kicked off the initiative with a three-day, three-part listening session and FHFA Pay hosted the inaugural roundtable just about four and a half months ago in Washington, DC, where we explored questions on the mission and purpose of the federal home loan bank system. We've been very pleased with the high level of stakeholder interest in this initiative, including those who are involved in supporting affordable housing, community and economic development, banking, and housing finance, as well as those in academia and in

research. Video recordings and transcripts of the events are available on the FHFA website, and I would encourage anyone watching today to watch those discussions as well for today's roundtable discussion. As we have with all roundtable discussions, we welcome bold ideas. We also welcome recommendations that can be implemented in the near term. As I mentioned earlier, the federal home loan system has remained a critical source of liquidity since its inception 90 years ago.

This is especially true during times of market stress, and particularly for smaller members that often haven't had access to other sources of funding. During this roundtable discussion, we're going to be asking some questions about the federal home loan bank system's role or potential role in addressing the housing and community development needs of Guam and the Northern Mariana Islands, as well as access to the federal home loan bank system, products, and services.

We look forward to the discussion today and the feedback we will receive as we continue this initiative. And with that, let me turn it over to Renecia to share the guidelines for our discussion. Thank you.

Renecia Glass:

Thank you, Eric. I'm looking this way because Eric is actually sitting right next to me, to my right. So, if that happens, know that this why. Now the rules of engagement. First, Eric and I will be moderating for the discussion today. We will be posing questions to you. We expect and hope that we will have an open and engaging discussion.

No recommendation or views should be considered off the table, and we encourage you to offer different views about some of the important questions that we will be covering. They also want this to be orderly. When you would like to speak or if you are asked to speak, please unmute your microphone and mute after you have finished speaking, you may use the raise your hand feature that's available to us and zoom to signal when you'd like to speak.

Please also keep your camera on for the duration of the roundtable. First, we ask that everyone engage in the discussion, knowing that we may or may not disagree on all points, and any differences will be shared in a respectful manner to ensure that everyone has a time to speak. And we are covering these discussions. Topic. If someone is going along, Eric or I may image to keep the conversation moving. Second, this review is meant to give a voice to the earnest thinking of the federal home loan bank system stakeholders and highlight areas for further consideration. We ask that you give us the best thinking and not just you're thinking or what may be possible. The roundtable participants have been given a set of prompts that we will reference during the course of today's discussion.

Finally, we have a disclaimer that we need to make you all aware of, and we read in the verbatim, like, I've read everything else verbatim. That's. We have organized this roundtable to obtain your input on the mission of the Federal Home Loan Banks include input on several specific questions that were sent to you prior to this meeting during today's session. FHFA will not discuss the status or timing of any potential rulemaking. If FHFA does decide to engage in a rulemaking or any matters discussed today, this meeting would not take the place of a public comment process. The rulemaking document would establish the public comment process and you would need to submit your comments, if any. In accordance with the submission instructions in that document, FHFA may summarize the feedback gathered at today's session in a future rulemaking document. If we determine that, a summary would be useful to explain the basis of a rulemaking, anything said in this meeting. And that also includes reactions. Nodding eye rolling should not be construed as binding on or a final decision by the director of the FHFA or FHFA staff.

Any questions that we may have been focused on understanding your views and do not indicate a policy or legal position. Participants in today's roundtable may have a financial interest, whether direct or indirect, on outcomes that may affect the federal home loan banks and their businesses. As mentioned, today's roundtable will be livestreamed on FHFA website and video recorded FHFA.

They may also prepare transcripts of today's session, which would include the names of all speakers and the organizations they represent, if any. The recording and any transcripts prepared will be posted at these website and YouTube channel, along with any materials being presented today or otherwise submitted in conjunction with the roundtable. With that said, we'd like to start off roundtable with discussions.

Let me ask each of you I'm sorry, not with discussions with introductions as to each of you. Introduce yourself, yourself, and state your affiliation with the Federal Home Loan Bank system, whether that be in your current capacity or a former capacity. Let's start with Gerard and work our way around to everyone else.

Gerard Cruz: Thanks, everyone. Gerard Cruz We are members of the Federal Home Loan Bank formerly Seattle, now Des Moines.

Renecia Glass: Is that all you want to share? Gerard?

Gerard Cruz: Well, except that I'm excited to listen to the views of the others that are part of this group and share some of the issues that affect us here and want.

Renecia Glass: To thank you. Like I said earlier, we welcome your participation.

Gerard Cruz: Thank you.

Renecia Glass: What about Maria?

Maria Guerrero: Hafa adai (Hello) everyone? My name is Maria Leon Guerrero and the chief operating officer for Bank of Guam, and we too, are members of the Federal Home Loan Bank, Des Moines. And we have been for as long as I've been in my position. Thank you. Happy to be here. Thank you.

Renecia Glass: What about Mary.

Mary Guerrero: Hafa adai Buenas (Hello) My name is Mary Guerrero. I am an administrator with the Guam housing Corporation, a government agency. We are an autonomous agency, and I've been here for quite a while, and we were not a member with the Federal Home Loan Bank. But we do have we had a relationship where we were able to borrow from them. So that's what I have now. And we look forward to seeing how best we can address some of the issues that we have on the table in affordable housing. Thank you.

Renecia Glass: Fantastic. Mary, what about you Jesse?

Jesse Palacios: Hafa Adai (Hello) Good morning and good evening to all of you. My name is Jesse Palacios. I'm the corporate director here of the Northern Marianas Housing Corporation. We are not a member of your banking system. However, I recall that back in 2000 or 2001, some of our low-income families received was AHP. AHP grants to help them out with a down payment for some of the houses that that we developed. So that was a big help for the families back then. And that was the last time we had any kind of AHP assistance. So, I look forward to learning more about he programs and hopefully we can become members in the future. Thank you.

Renecia Glass: Thank you, Jesse. Phillip.

Philip Flores: Yeah. Hello, Hafa Adai and Hafa tatamanu hao (how are you) Thank you for doing this. It's great. It' first time out of which I'm aware that the Home Loan Bank has reached out to us, and I think I've been doing banking the longest and all of us. I remember when the Federal Home Loan Bank was actually a supervisory agent. Also, a member of the board in Seattle. So, looking forward to what you have to say to Guam and the Santa maria. Like so many other places, there's not a lot of demand, at least on our part, for advances at this point where we had the good old surged was trying to figure out what to do with them and making sure we don't double our surge deposit, which Silicon Valley did with theirs. And so forward to today. And again, thank you because it's a great idea on your part to reach out to us.

Renecia Glass:

Thank you. We're still looking forward to kicking things off with you now. And with that, I'm going to turn it over to Eric to get us started.

Eric Howard:

Right. Speaking. So, you know, I think I mentioned, as Jesse did, that it's morning there and it's evening here. So, there's some distance between us. And I personally have never been to Guam or the Northern Marianas. So, what we'd like to do is let's level set, let's understand what your housing needs are in Guam and the Northern Marianas. And if you can tell us, just tell us what we need to know. We really appreciate that as we dive into this conversation with that. If it's okay. Mary, I'm going to start with you.

Mary Guerrero:

Okay. So, within Guam, our issue with affordable housing is the cost of housing that is available for either for resale and the amount that an applicant or first-time homeowner may be able to borrow. There is the big gap right there that we that we've even with other programs that we've established to address down payment to address, what can we do to maybe develop homes so that we can decrease the cost of housing right now because it is very high for at least for those that even beyond the income that we are mandated to serve.

I think there are very few that can actually afford what's out there for resale. So in in addressing that for the resale and we looked at maybe construction activity developing it so that we can maybe then control the costs of the homes, even that with the high costs and the and the unavailability of some contractors that are willing to basically drop the costs so that it can become affordable.

It seems like getting renewed the interest and there are very issues that may cost that and one of them is they don't have the manpower at one time they didn't have they were they were subcontractors to hold your projects. They just would be able would be spreading themselves then really to try to undertake any additional construction on the case by case.

So that's basically the concern. Construction cost is high, the cost of homes is high. And the amount that the first-time homeowner may be able to borrow is insufficient. Thus, the gap is quite wide for us to try to address those that are that want to realize homeownership.

Renecia Glass:

For prospective, because like Eric said, we have a bid to Guam. Unfortunately, we tried to actually have this roundtable there beg for it, but nobody is going to allow us that. It's going to be able to come out and participate in person or on what type of affordable what would be a more reasonable type of down payment with a buyer get for a home. What would be an affordable home price? Just ballpark it for me. And then what would you consider a reasonable amount that a buyer would need a down payment assistance in your area? Again, ballpark it.

Mary Guerrero:

Okay. We've got housing Corporation. We tried well first of all our mandate we can't assist anyone for financing unless they are there. I'm able to get financing through conventional means so that what that means is it would have to try to get a conventional loan before a loan before they come over to one house. So already at that point, if the RV night, there are some challenges with down payment.

Most of those that come to us are really seeking 100% financing. They do not have the capability of a down payment other than what we can provide is a grant for the down payment assistance program for your closing costs that we can help with. The amount to purchase does not exceed 420. That's what it is now, 420,000. And that's a grant that they may be able to see if they meet all the qualifications, all the eligible requirements, they may get up to \$10,000. So that would address their closing, but it's usually more than that. But it would at least lessen the amount that we would have to cover for down payment in most of our potential borrowers are looking for 100% financing, and we could provide such, but depending on their income, depending on the appraisal, that would have to be to determine.

Renecia Glass:

So, you're looking for 100% and you thinking they're going to say the average housing cost, but the costs are about \$420,000 for a single-family home.

Mary Guerrero:

About what that is, what's appearing in terms of them that they're going to purchase. But if they were to do any type of construction, most of those that are coming through us are looking at anything below \$250,000 for construction.

Renecia Glass:

Okay. Just trying to give us an idea of how much an individual buyer might need a down payment assistance for a house that costs how much. And I think you've helped me with it. Thank you so much.

Eric Howard:

Mary I did have a follow up on that. So, you talked about new construction is existing housing, is that an option, rehabbing existing housing or is there supply not there.

Mary Guerrero:

The supply of housing on the resale is really existing homes. It's really not there for our clients. And we are mandated to serve the so that's why we have to be more towards construction so that the prices then can be controlled provided they own the land and that would we cut some of the costs.

Eric Howard:

You did say I just for me for to better understand down payment systems closing cost that comes through the Guam Housing Corporation. Are there other participants that provide down payment assistance or closing cost to your homeowners or household, your clients?

Mary Guerrero:

To meet the down payment? And plus, the cost assistance program that we do have is available even to all the banks that are participating lender So it's not it's not just geared towards Guam housing, borrowers, but even those from the banks that as long as they don't need, they don't see what our board has determined to be the median price, and that is subject to change depending on what's out there, they are eligible to come and apply. And I tell you, the banks have participated and I'm going to start we just process on a first come first serve basis. And as long as funding sustainable, we will continue to meet that program available.

Eric Howard:

And thank you. So, anyone else in Guam, would you like to add to Mary's description of the housing environment climate there?

Maria Leon Guerrero:

I was going to just going to add some data, but I think maybe Mary and I are looking at the same data, which is good. So, there's a really great real estate appraisal firm here that tracks a variety of data in our markets. And I jotted it down before our meeting just to share. So median prices for single family dwelling in 2019 was just under 300,00 it was 299 thousand. The same home in 2022 is 420,000. So, in just a few short years, that's pretty significant. So, and at that 2019 value, a 20% down payment. We're looking at 60 grand today. That's 84 grand. That's more than most people make in one year or even two in our market. So, Mary explained, the cost of construction has skyrocketed since the pandemic started.

Some of that is supply chain issues, but primarily it's the shortage of construction labor, and I'm sure you all know that there's a big military presence here and there, and they're just going gangbusters, which is great for the economy, but they are absorbing the lion's share of all the construction resources. So those for residential construction, those that are able to secure contractors, if they're lucky enough, it's quite expensive.

So, it's really an it's an issue of affordability, not at least for our bank and I believe for the I shouldn't be for the rest, but I don't think liquidity is the issue, it's just the affordability of it. That's what I want to add. Thank you.

Gerard Cruz:

Thank you. I was just going to jump on that and say, yeah, the bigger issue is repayment ability rather than down payment assistance, because the private market offers 100% financing the low-down payment financing for first time homebuyers is closing cost assistance as well. But what we're seeing from where we sit is that with rising interest rates rising costs, the affordability relies on most I mean, the unaffordability comes down to the borrower's ability to repay or qualifying for a lot less because interest rates are higher and that squeezes them obviously out of the out of the market and it reduces the amount that they're able to qualify for. So that's what we're seeing from where we sit.

Phillip Flores:

The 6% is the new 12 in the sense of a generation or people entering their they're buying careers, working careers. Mortgages were 5%, 4%, 3%, sometimes even lower, even fixed rates. And of course, ARM is very lower than that. And so, when rates start climbing last year, year ago this month, a lot of people just said, wow, 7%.

Whereas in previous times people have said, wow, it's down to 7%. So, there's a psychological thing. People say, well, that's way too expensive. And as I think as was pointed out, prices of have on up a live a lot because there's a demand but there's a limited supply and for new construction was also pointed out we have a large military buildup going on in the northern part of the island and all the contract, the large contractors are winning the contracts.

They need more labor force they can than their own forces. So, they're hiring a lot of the smaller contractors who would have built by house There's subcontracted to them. So those contractors are working what we call behind the fence. So, you have a double-edged problem for a lot of what has been built by some aggressive entrepreneurial small contractors of building three or four or five homes at a time in places.

Ten years ago, you never thought they'd be building, but that's where it's being built because land is also increased. It's, you know, it's not just Guam, it's everywhere. It's, I think the places lands not increased might be the CMI because of certain issues over there. But the Yeah, so it's affordability and people are scared by a 7% loan.

I think those prices that we referred to earlier that the appraiser reference from now versus two years ago, I think those prices are going to peak this year and start coming down whenever something runs up that quickly. Pop goes the bubble and that's what it is. It's kind of a bubble. How much can I get out of my house?

And if you talk to realtors, they are already seeing sellers discounting the price on their homes because they're not going to, they're not getting people to buy, not that there's not a demand. It's just that people can't afford the payments. And it's very subtle, but it is also the down payments. If I ask you to come up with \$80,000, well, you know, if I'm living in the bay Area, that's not problem for most for a lot of people.

But if you knock on the regular door in Guam because we're a low-income area, middle to low income, they don't have 80,000 sitting in the bank. They're going to borrow it from their parents or aunts and uncles or somebody else in the family. And but not everybody can do that. I think that's what's slowing down. I don't know about the other lenders, but what we see a lot in closings, everybody slows down heavily on residential lending.

It's not just rocket mortgage. It's not just Wells Fargo. Apparently, something's going on everywhere. So how can you help us?

Renecia Glass:

Thank you, Phillip, Before we. Well, Jesse, we want to hear about what's happening there in the in your area. But then I have a follow up question for you, Mary.

Jesse Palacios:

Okay. It's pretty much the same here in the Northern Marianas as in Guam. However, our construction prices for homes are much lower than Guam. What we're seeing now is around 250,000 for, you know, for a three bedroom, fully concrete home. Before that, it was, you know, way, way below 200,000. You know, Guam has the military buildup going on over there, which is which is great.

But in terms of, you know, contractors, the same as over here, not because of the military buildup, because but because of the disaster that we had in 2018, the super typhoon. So, you know, we still have a lot of FEMA and HUD infrastructure projects in the A&E. And these and it's not quite there yet for the actual groundbreaking.

We've had a couple groundbreaking ceremonies already for HUD. And I was just discussing them with Gerard earlier today. And this is our road or beach road project. It's under undergoing repairs right now. And it was, you know, caused by the super typhoon, you two. And when it comes to, you know, building homes or reconstructing homes, we are having issues as well with the limited supply of manpower.

We have quite a few contractors, but, you know, these contractors want more of the big projects, not your \$250,000 new construction. You know, they want the ones with the to two commas, not just one comma and you know that's the issue. And you know, with regard to labor, again we have to import labor into the sea in a mine from foreign countries mainly from the Philippines because there's just not that the local labor force, you just cannot supply the you know, the workers.

There's still there's still a stigma amongst the locals here that the government is the main employer. You know, the people would rather work for the government than work out there under the sun, you know, with, working for a construction company, with our CDBG. Ah, that's the HUD program that we receive money from. We set aside some of the funds for the construction trades for scholarships so that we could help out the Marianas in, you know, having more skilled workers that are from here instead of importing foreign workers from abroad.

Renecia Glass:

Thank you, Jesse. I guess I wonder in general, too, that we talk about single family homes. No one really spoke about rental housing. So, I

would wonder about that. But before I want that too much, I wanted to follow up with Mary because she said that you used to have a past relationship with the Federal Home Loan banks. I wanted to make sure, were you a housing associate or do you don't have it anymore, I'm assuming. What was that past relationship?

Mary Guerrero:

Well, we were able to borrow from Federal Home Loan Bank for Lending capital. Through a member organization. Well, we weren't a member, so we would have answered or from a member bank. I'm not even sure I wasn't really involved with that. I just know that. It took place. Before Borrowed from Federal Home Loan Bank then, and that was for the use of lending capital. Okay. And it was a collateral loan because we had to provide the collateral for the loans that we that we originated from them.

Renecia Glass:

Okay. I think I understand you. You used a member bank for a loan that came from the Federal Home Loan Bank, I think is what we're getting into. Okay. And then just Joey, before we move on to the next topic, rental housing, and you might.

Philip Flores:

Can I comment on that, housing it was a troubled asset. I'm going to say this was in the nineties and or 2000 excuse me, it was I think it was 17 million Americans. It was a troubled asset. A loan bank came out, asked for help, trying to get it collected, which involved in legislation through so that the housing corp could make it a priority. But prioritize liability so payments would go right through it. So, I think at that point, maybe the home loan bank system said, oh, gee, let's not deal with them anymore. It has changed since and it the Home Loan Bank is interested in or can deal with the operation like one housing. I would say you can't now because we're married, which today is much better than it was 15 years ago.

Gerard Cruz:

Yeah, I think I recall that. So, I think it had to do with the initial was a it was a mortgage revenue bond that was floated that was supposed to support affordable housing. And I think the way it was structured wasn't successful. So, the Federal Home Loan Bank, right in the early 2000s, came and asked the other banks, the member banks, to this to support.

Renecia Glass:

Thank you. Thank you, guys so much for sharing that with this. I'm going to move on. Eric has another question for you.

Eric Howard:

So, I just wanted to ask more about the needs there and the population that you have there. So can you tell us if you could you talk about the indigenous population, the housing needs of Chamorro's and if there are any programs that are in place for them or anything you want to tell us about their needs.

Eric Howard: Did you hear my question?

Philip Flores: Yeah, I guess silence is golden

Eric Howard: Okay.

Philip Flores: Jump in and see what I can get, because I might not have all the right agencies. Correct. We have a small land trust commission and **Chamorro** make up about 35% of our population, 40% of max. But the general land trust to accept such land and gives it out to Chamorro's for building. It's difficult to have that it's all leased. I'm correct. A 99-year lease. It's difficult instrument on which to lend money. And if I was with the Chamorro land trust, I would try to contact you to see if you could help with the lending, the guarantee of a lending. If we knew we could lend money to Chamorro land trust recipient. And there was some backing from the Federal Home Loan Bank, because these are lower income applications, be easier to jump in. Also, go back to your Chamorro populations in Saipan or the CNMI by We went Bank Pacific went into this you know my in 1992 they had a housing corporation which then bought in the housing authority. And it still exists today just under a different name. And they have lent all their money out that they could. So, we said we'll be a we'll be your partner and we'll buy your loans, we'll be your secondary market, we'll buy your loans. And if one and then we'll give you the money, you make more loans, you will buy those, you make more loans, and they liked it. And because at that point, if you were in CNMI a home loan was like 7%- 15% for seven years. That's not a home loan. That's a loan to drive you of island planned to go to elsewhere. So, we entered of that, but we knew they were high risk loans. That's why so many of us go into the housing work and we ask for a guarantee, which we worked with, with our attorneys, with their attorneys. Again, this was 1992. We probably wrapped it up in early 93 and we all signed off on. It was wonderful. We bought 14, 15, \$60 million worth of loans, which was good because those are just put out again. And then we had one default six, seven years later. And so, we, you know, we exercise the guarantee. They had new management that we knew attorneys and they fought us, and the court overturned. So, there was no guarantee, or the guarantee was unenforceable, which we said, well, it doesn't make us want to do business with them anymore. And it was like, well, you can understand this. And but if something we do it again, if we knew there was some type of guarantee agreement that the government could not renege on and say, go away because it costs us a lot of money, and which gave us a really bad taste in your mouth for dealing with it.

CNMI in a housing corporation, which we don't do anymore, and I don't think anybody else does. But if that if that if that exposure could be

erased, I think that you would find it fled. So was willing to go back in and help the Mariana Islands Housing Corporation.

Eric Howard:

Thank you.

Philip Flores:

And I'm not beating up Saipan although I'm beat up Saipan and you guys screwed us.

Eric Howard:

Okay, so just to follow up on that, Mary, you noted or mention the Chamorro Land Trust in your response to the questions we set up and you were talking about the under their inventory three that there are properties that have yet to be surveyed and not equipped with infrastructure. Is there any activity that the Guam Housing Authority Corporation is involved in, or do you have any other information that you can add to what Philip has told us right now?

Mary Guerrero:

For Chamorro land trust, there are only two lenders that have provided financing for the construction on Chamorro Land Trust. We are one of them. Actually. I think we only had 30 loans under the Chamorro Trust, and they do issue a get a loan guarantee what we have done. And the other one is the U.S. Veterans Administration. They also do Chamorro land trust and the Native Loan Program.

So, they provide financing for those veterans that have the long-term lease. JC One housing Corporation is involved in both assisting the Veterans Administration in the then they do go in default. We're required in our agreement, or we'll use to advice Guam housing when the loan is delinquent so that we can remedy with tomorrow access how we can still get the loans performing and not exceed the 60 days.

We're there already entering into a notice of default and based on that is so that would prevent them from actually paying off the loan in full with the long lease at least performing so that we will be able to continue servicing the account for hours. We do the same thing and the way it's designed so if one becomes in our loan, one becomes non-performing, then we already see two more land for us to get permission to see for another potential that would be willing to assume the loan because they have a lot of options in the interest that are waiting for any type of lease.

And they're still going that they're still vetting that process and going down the line so that nobody gets nobody's turn. So, there are like 10,000 applicants. So, with that number standing by for lease and if there is, nobody is. I mean, it would be really hard for someone that wouldn't want to assume that loan that that term. Or we can even refinance it. So, I think there's mechanisms to make it work to keep the loan of either perform, performing or to like another eligible. And we defer to two more Lantos commission to find that out that that applicant the term is for 99

years if they want to read it more than once to assume the loan until they do fine, then that's what we encourage because we are involved in the servicing for the Chamorro Land Trust Missions Loan Portfolio.

Eric Howard:

Okay, thank you. So, before we move on, just want to give Jesse an opportunity. Is there any programs or any information that you'd like to share with us that with respect to the indigenous populations of in the Northern Marianas?

Jesse Palacios:

Sure, sure. Eric. Yeah, Here in CNM, my we have the Department of Public Lands that they are in charge of the, you know, all the public lands here. And we they have a homestead program. And even in that program there are about four I this around 6000 applicants. And you know, there's not that much land over here to give out.

But it's not in the form of a lease. It's more of an ownership. You know, they give you a homestead, then you have to develop the, you know, the property by building a after inspection, they give you A quitclaim deed, and ten years later it becomes private for funding wise for building homes. So, we provide funding here and the Northern Marianas Housing Corporation, we give them home loans from HUD.

But, you know, the money we receive from HUD is very, very, very limited. We can only give out maybe less than ten loans under the HUD program. But we have a new MOU. MOU will go with USDA already. They're going to come back and, you know, restart that program that they had back in the nineties. That's another avenue for, you know, for homeowners to avail of our assistance.

We also have the veteran's Affairs program here that they offer assistance under the Native American Direct Loan program. So, so we have similar, arrangements just like Guam where there's a local agency that deals with the indigenous code, the Northern Marianas descent and only people of northern Mariana's descent can own land here in the Sienna mine for non-Northern Marianas descent, so they can do a 55-year lease on the property.

Eric Howard:

Okay, thank you. That was interesting. A lot of information there. So, we can always circle back if anybody wants to add anything else. But talking about housing conditions, is there anything you would like to add with respect to climate change? I mean, Jesse talked about types through the disaster that that Northern Marianas is still recovering and about considerations of climate change and housing. How is that complicating or even making things even more challenging?

Gerard Cruz:

I think for us, the nineties is when we experienced the onslaught of a number of typhoons that forced everybody who built or bought a home

subsequently that by one that was hardened. So, homes now are all built generally with concrete and able to withstand typhoon force winds. Most homes are many homes are now buying generators that are have become more affordable. And to 2000 2002 since 2002, Guam, knock on wood, hasn't. Been. Hit with a major typhoon. But having to do that, having to build a home that's harden does comes at a higher cost for sure. So that does affect affordability. I did want to talk about because recall on the Tomorrowland trust, I'm sorry that I have to circle back, but I'll forget if I say it right now that when we considered some time ago and married, forgive me, because it has been some time that we've considered lending against your moral land trust. The primary issue for us was the inability for us to foreclose and open it up to the free market, to the open market that we would have to. Then if we took it back, we would have to sell it to somebody who then qualified under the Chamorro and trust restriction that tomorrow by definition wasn't a special class like Native Hawaiian was or American Indian was. And so therefore, our attorneys were saying that we could be we could be discriminating if we only sold those properties back to those who qualified under the True Moral Interest Act. The remind me again, those that's my vague recollection of the reason why we didn't participate in a much more meaningful way in the moral antitrust home financing.

Mary Guerrero:

Okay. So, you're right. You're not able to foreclose on that on the property in the mature land property. But it was designed so that someone else that has been determined and is waiting on the list that has applied for to all entries would be given in that order. The opportunity to purchase that. And that's the way I guess they kept it so that in order for you to be eligible, you have to meet all the requirements, right? That was established by law. All right. And so, what they did instead was did a loan guarantee so that when they're I supposed to be the ones to pay off the lender and then the lender and then they would be the one then to resell before it actually gets to that point where you even have to put it on a notice of sell and sell it in order to recover your loss. So it was structured so that it shouldn't get that far, it should have already been corrected, and that the loan then can be repaid by Chamorro land trust through loan guarantee so that they can then locate another applicant so that they would purchase that, that or assume that loan or just reapply for that it has happened would be a that's how we were able to they paid they found somebody to assume the loan. So, they do preventive measures which doesn't really get to that foreclosure proceedings where then you have it out for public auction. So, I think that was the reason why that loan guarantee was designed, so that they can keep it and avoid the foreclosure proceedings so that you can be resell it to another individual that meets that requirement. So, it's all about the timeliness of how that

loan was being, it was being service to keep it at a to keep it at a performing loan status.

Eric Howard:

Thank you so we've spent some time talking about housing conditions in Guam. And we want to also move on so we can talk about your relationships or lack of relationships with the Federal Home Loan Bank. But just before we do that, some of you have touched on housing stock and the affordability among across incomes and the impact of the pandemic. Is there anything else you would like us to know before we move on that you feel we need to know about housing in Guam and the Northern Marianas?

Mary Guerrero:

May I just I did mention in responding to those questions about the availability of funding for infrastructure, whether it be for small land trust, land inventory or even private lands, there are still some areas that are lacking that infrastructure or their property. So far that they would have to address for the utility agencies how they can afford to get that infrastructure to that is fronting their property. We love that. We address issues how best they can, whether they do an interest free loan and borrow to build and me to put the infrastructure in. And of course, if those are on offsite infrastructure, it's not going to bring the total and the appraisal for the collateral won't be sufficient because it's not on-site. So, we are looking at different types of financing availability for infrastructure.

We want it to know Federal Home Loan Bank has any type of funding that maybe we can avail ourselves to address this because there is a track of land that your land trust has and it's lacking the infrastructure. But they're ready in terms of surveying and everything. That's what's holding up with me. We've made some inquiries to other rural housing services to see how best we can address the funding issue and to small land trust.

And that's still ongoing. But they've identified a property. There's property right now that is ready for development. It's only infrastructure that now is holding that has become the obstacle in further developing that project. I don't know if by doing the development and including the at the structure and then passing it on to the borrower, I don't know how that would make it affordable if we were to put that as a part of the equation selling price. But in terms of infrastructure, there are there is the need for full funding for infrastructure.

Eric Howard:

So very just so we're ready to move on. But just how many units are we talking about when we talk about this land and the lack of infrastructure? How many would that be?

Mary Guerrero:

It's about 160 units that that is available that we've identified that be the best property to look for, for development to develop.

Eric Howard:

Okay. So, as you all know, time is pretty quick. So, this is all been very interesting. Let's I'm going to pass the baton over to Renecia who is going to talk to you about the current role of the federal Home Loan Bank system.

Renecia Glass:

Yes, Maria, you're on the hot seat now, and I wondered if you could kind of tell me, given that your organization is a member of the Federal Home Loan Bank of Des Moines, what is your what is your bank currently doing with the bank or what they have done? What have they done in the past overall, But particularly with respect to housing?

Maria Leon Guerrero:

Yeah, so honestly, we I think we rarely, if ever draw, on our lines only because our cost of funds is, is relatively low here in the islands with all our deposits. So, we're not really using FHFA in that respect. And, and I don't and actually I'm also not aware of any of the programs that were available direct to the homeowners that we're availing of. I know that I am aware that we are using some of the ground Guam Housing Corporation's projects or programs in terms of helping homeowners meet their down payment and or closing costs. But beyond that, we're really not doing much. And so that's why I was interested today to hear about what we are not aware of, what we're not taking advantage of. And I do want to point out one thing that I don't think was covered today, and that is low-income housing. We do have we you know, we talk about homeownership, but there are a lot of people who will probably never own a home. And we do have several developers out in this part of the world that do the low-income housing tax credit program. And there and there are several of them. But even the inventory that they're able to put out is not as much as we need. The interesting thing about that program is that the investors, the tax credit investors are primarily from the mainland. And I know if my colleagues here can add any color to this, this is my understanding they're primarily from the mainland and it's not clear as far as a local investor, even banks, to invest in these things. It's not clear if the local government will honor the tax credits. It is a federal program and our and our taxes stay here locally. So, I think there's kind of an it's just an interesting, weird thing that what don't you think that local companies should be more incentivized to invest in low-income housing tax credit projects for our community. But it's not the you have like Berkshire Hathaway are the ones who are investing in these projects. And CNM and Guam, which is which is kind of interesting. But if there's anything that the Federal Home Loan Bank can do on the developer side to help make those make the economics of those projects more attractive, I think that's something that that should be explored.

Renecia Glass:

I think that my specialty is affordable housing. I have worked as a developer. I've worked for a federal home loan bank and now I'm here at this agency. I, I as I'm hearing you guys, I there's so much that I want

to share. But that's not what this actual forum is about of the things that I would like to share. But before I move on and Maria, thank you for that, I would highly advise each of you to reach out to the Federal Home Loan Bank of the Des Moines and see what it is that they have available to you. I'm hoping that someone from the bank is participating on this call tonight so that they are becoming aware of opportunities to interact with you guys. I'm sorry, Eric was to share something with me.

Eric Howard:

I know. I wanted to ask, so we did take a look at projects that the Federal Home Loan banks have awarded through their affordable housing program and so there's a competitive program. And I just wondered if any of you or the member institutions that you represent or the housing authorities in, if you have applied for any of the grant money that the bank awards every year. So, I just was curious about that. If that's something. Are there projects your local projects, or their tax credit projects that are being sponsored through your member institutions that are applying for these awards?

Renecia Glass:

Well, actually, it would need to be that the members are actually making that available. So, I guess this for Maria and Gerard and Phillip, are you making the first-time homebuyer program through the Federal Home Loan Bank available to your participants, to your customers?

Gerard Cruz:

Where I can say we're not actually, no. Just real quickly, Maria, sorry, I don't mean to interrupt, but we've been you know, we're a community building credit union. So, we have historically been very motivated to apply for competitive grants with each one of those organizations. But unless there's a set aside for Asia Pacific Islanders, the Pacific Island region, you know, our application is right in there with the bigger of them that have by population and a larger impact to the funds that are being used in those locations. And so, we. We haven't been successful. In our applications. And so over time we are motivation has waned and that's kind of where we are with generally competitive grant applications or our funds that like that for us.

Renecia Glass:

Jerod to the first-time homebuyer programs is set aside. They're not competitive programs. So basically, as a member of the Des Moines Bank, they announce annually what amount of money they are setting aside for their first-time homebuyer program. Typically, right now, most banks are doing about 35% of their AHP that they're allocated for the year. So, it's not competitive. You can do one homeowner at a time to go in and request. I don't know what the max is. I think the rate allows what, 30% now? 20, 25,000, yet 29,000, which is not that I really should know. But yeah, I.

Gerard Cruz: Think the last one we participate in was a program at the Federal Home Loan Bank. A savings starts where borrowers were savings for a down payment was matched 3 to 1.

Renecia Glass: Yeah, I don't think that the mom has a matching but again is that a competitive program? So, you would have to do is register and go to their website and take a look the first-time homebuyer programs and they may have a secondary program that they're doing in a volunteer way that may be a bit more competitive. But the first-time homebuyer programs are not competitive in that way.

Eric Howard: I'm going to open it up to other member institutions. What type of projects did you sponsor that applied for a few grants? I mean, we're going to see it was talked about. This is a smaller portion, but different banks have different amounts that add up to over \$1,000,000 that they award to affordable housing program or project.

Gerard Cruz: Most of the ones that we applied for weren't through the Federal Home Loan Bank or through the CDFI fund. Okay. Yeah. Okay. I'll turn it back to you.

Renecia Glass: Phillip. What about you guys? How is you using the Federal Home Loan Bank now, or have you used it in the past?

Philip Flores: I don't think we're really using the bank right now because we're we have so much liquidity. So, we get some money, though. We have several times in the past drawn down our line, but we have a trust or line with you with the FRB since Covid. And we were able to we were selling some loans to mortgage purchase programs we filed, but we like because it was you had better margins it was better than selling them to Freddie. But we're not really generating that many more residential mortgages right now or more to commercial and other consumer types in residential mortgages. So, we're kind of like a silent partner just looking in. And what we do have a huge issue in Guam of low-income people and industry and low-income individuals. And if we're not asking to come out, they guarantee loans that we make to borrowers who perhaps would not otherwise make a loan. But actually, we are. And if there was a program like that, it would go a long way.

Renecia Glass: But of course, we can't speak to specifics again. But I would encourage each you again to reach out to your reps at the Federal Home Loan Bank of Des Moines and ask them specifically what type of products they available. They can help

you and know to make contact with the community investment officer there as well. I hear opportunities here. I examined the affordable housing program at these banks and that did make some activity.

Philip Flores:

Maybe if they used the housing corporation up in the CNM. I am and Mary here on Housing Corporation it's something that they could originate, and we could all. But I think just knowing that the home loan bank there's somehow backstop backstopping.

Renecia Glass:

You know, like Gerard says and I forget what they say, it's not knowledge is power, or I forget what it is. power or something else. And I see it all the time, but it escapes me. But if you have the opportunity to reach out to your member service whips in the community investment officers at the bank, they can tell you exactly how it is that banks might be able to help you.

I'm going to move on. We're ready to hear about the how the system may expand access to his resources, which is really what I just to the future role of the federal home loan banks may undertake to respond to challenges they want. And in your area then we've kind of talked about that you guys have actually pointed out some of the needs that you have and some of the things that you think that the banks might be able to help you with.

But Gerard, you want to kick us off and kind of give us some of your ideas about what it is that the bank, the Federal home loan system can do, how the system might play a large role in addressing your challenges, what the structural barriers are, how we might overcome some of them.

Gerard Cruz:

Well, I think basically on forums like this are very helpful in just being able to know what programs are available in a more continuous way. I mean, you know, repetition helps to for me to get the message to resonate. So, forums like this would be helpful. I think it would also be helpful at the policy level. There was representation by somebody from a jurisdiction that has unique needs, you know, 100% of everything that we use to build homes here has to come from somewhere other than the island.

So, everything is imported, including labor. So those are issues that are unique to the islands that I think would help to bring. As I mentioned in earlier, in one of my write ups context around some of the recommendations that are made and hopefully the policy decisions that are ultimately made at the board level, the Federal Home Loan Bank, so that would be helpful. We had some

representation or just constant communication. I know over the last three or four or three years, COVID has reduced the number of in-person contacts from the Federal Home Loan Bank to us. We do have good representation from Eric Jennings, who's our rep. And so, we do we do communicate with him often. Our CFO does actually, we are we do we do have a small advance, and most of it with the Federal Loan Bank and most of it was done for because rates were so low, it was compelling enough for us to just take them down.

And now we're glad we did. But, you know, COVID has done that. Hopefully now that we're going back to in-person meetings, we'll be able to see more and hear more about what's available. But I don't know if anything systemically or a system, you know, needs to be changed with the system necessarily. But I think the reduction of the use of or feeling like we're in silos would be helpful now that we're able to communicate more frequently and more often, hopefully more so in person.

Renecia Glass:

Jesse, what do you think is needed to kind of stimulate more engagement and actions to help you access the Federal Home Loan Bank products.

Jesse Palacios:

In working for the government or for myself, I'm not really very familiar with the federal loan bank system, so it's just more of awareness for us. And what products the system offers and how we can help the community out here because my agency, you know, mainly deals with the HUD low-income category families. You know, this there's an annually HUD publishes the AMI for the CNM, and you know the ad those annual they appear kind of low fare for us and so we can only assist those families that meet the 80% or below am I and there are families out there that are above that.

But still, they're not in that area where they can afford to go to the, you know, the local banks to take out some loans there. So, the assistance we'd like to see from the official banking system is, you know, maybe more of the world of the grants or low interest or low interest loans so that we can help families out.

You know, repayment is always an issue for our families out here. It's just not affordable. You know, with our disaster loans that we have here, they're actually 0% interest for 30 years. And we only have them pay back 75% of the loan. So, the 25% is more in the form of a, you know, a deferred loan or a grant.

So, for a \$250,000 loan, the maximum payment for a person of the highest income category is about \$520. And \$0.83 a month. That's, you know, very, very affordable for families out here. The lowest is \$173 a month for the lower income bracket families and the lower income bracket. You are the more, you know, subsidy you get.

That's why you only pay back \$173 a month because, you know, 75% of the loan is this subsidized. But yeah, maybe more marketing awareness for us here in the Marianas because I don't you know, just from this for a view and learning that there are other, you know, assistance that we can avail of this is that we're not aware of some you know, maybe we can work with Labor Bank Guam or Bank Pacific so that we can do some kind of partnership with FHLBanks out there. So yeah, that's, that's my take on it.

Renecia Glass:

I think Jesse is talking to you. Phil, I think Maria just Jesse is, is letting you know what his interests are along with us. So, we he's letting us know as well. What about you, Larry? Can you tell us some of those ideas as well?

Mary Guerrero:

What I know of Federal Home Loan Bank and what they do provide our funding for funding for lending capital or even for development, if there are any other programs that we can look at, I mean, funding that we can look at in terms of impact so that we can even cut the if our member banks are aware of any type of program that maybe Guam housing can we can look into how best we can utilize the funds that's available, then I we really appreciate that because then we can we can defer to them with some questions we may have and then we can further it further questions a federal home loan bank that it would be nice to if I could ask the number member banks here to share of any notification that I may have missed. I can go online and check if they are if they know the program or the funding that's available and what they can guide us with that we can try to make it make it work.

If even if they have to go under their sponsorship. So, it's just missing on. And if I if I'm not aware of a program and it is available and they are aware, if we can get any type of, you know, heads up so that we can try to run with this, we wouldn't want to miss an opportunity that, may address some of the concerns that we can help out with affordable housing. We looked at all kinds of. Okay, so I'm mean, we looked at certain types of construction where, you know, you meet the type of coverage and all that. We

even look, we saw using alternative building system to see what is out there that still would meet, you know, measures to protect the home from any type of disaster. So, we're looking at maybe out some things just to see what's the interest of alternative housing. So, if that may drop the cost, of course, we are familiar if it's going to increase the insurance part of the coverage for the homeowner's coverage, that may just negate the savings. But we are exploring different, different ways to try to see how we can drop that cost. And we really if there's anything our member banks are aware of here with us in case, they are not able to capture.

Renecia Glass:

Mary, how do you how does your organization typically find out these types of things? Do you have a great writer on staff? Are you participating in any forums outside of this? Did you go on to websites? How is it do you source use your information? Find funding sources, that type of thing?

Mary Guerrero:

Okay. So, we try to constantly communicate with our other with federal with federal agencies like Rural Housing Service or even other federal funding. What is available out there so that we can maybe address a component of what we're looking at to develop or to make available. We try to we try to we don't have a grant writer here, so it's pretty much just when we get together, we look at it.

We are aware anything we get together; we see how we can make it work. We'll reach out to an agency that has had experience and then go from there. We're always looking at how to participate in something of this of this similar forum where we can get more information so that we can avail ourselves to the types of programs that are being administered.

Renecia Glass:

thank you for sharing this with this. My time is up, so I'm going to move on to Eric.

Philip Flores:

To just jump about on the on the topic of better communication, better learning.

Philip Flores:

Sharing, give us our own seat on the board of directors. We sit with one of them. Election comes through the board, Guam, CNMI and Hawaii vote and we're never going to beat somebody from Hawaii. And the only way I got on the board was they were having a problem with a note that I think would stand right at the time, called me, and introduced himself and said, can you help us with this? Tells you to hire us and I'll do it in an exchange. For one thing, he goes, What's up? Eventually, Guam gets a seat on the

board. So, there was a lady from First Line Bank, and she was on the board, and she retiring, and she let me fill her unexpired term. But yet if we did, if we could have if we can elect our own representative from our region as opposed to watching Hawaii elect their guy, because I buy back why I'm in first one America saved else places. I'm going to vote for the guy I know the street not from the guy in Guam or the girl in Guam.

Renecia Glass:

I get that. I know the Des Moines Bank is after it merged with the Seattle Bank. There was a lot of different areas, states, districts and what not to consider when they were trying to figure out the board makeup. I hear what you're saying, and it'll be it'll come across in this hearing. It may be a good idea to make or establish a relationship with the board members. This in a way, though, to be able to use their voice to help you while something like this is being figured out. So, I'll pass it on. Passed on going to Eric for him to wrap things up for us.

Eric Howard:

Yeah. Thank you, Renecia. See, before we did that, I did want to give all of you an opportunity. So, Philip, thank you for that recommendation. Are there any other recommendations that anyone else has that could be brought forward to stimulate the relationship, to stimulate activity with the Federal Home Loan Bank and to access with their products as well as their affordable housing program? There in their and their set aside programs, Is you guys have any other recommendations other than the one Philip made.

Maria Guerrero:

I have one. It's kind of along the lines of what Jerry was saying about just having more stakeholder awareness and dialog. So aside from the parties that are here on the line today, I feel like at least locally, the Guam Housing Urban Renewal Authority, Guam Economic Development Authority, real estate professionals and developers, I've talked to all these different types of people about affordable housing, and there's some really brilliant people and everybody has these ideas.

But I think what's missing is actually bringing all these stakeholders together to actually get something going. So, I mean, I don't know who is the who is sort of like the ringleader to bring all the stakeholders together. Maybe it's us. But I do think that more dialog at a local at a federal level, just to increase awareness of what's out there and how can we best leverage it, because I think there's a lot of passion and a lot of good ideas, but just not enough communication.

Eric Howard:

Great, thank you. So, we want to be respectful of your time, the time you committed to work with us and to meet with us and to give us your suggestions. We really appreciate that in the amount of time that we have remaining. You know, we've asked you a lot of questions, but I'd like to do is turn it back to you. And do you have one most pressing need that you want us to be aware of that we can look into, make recommendations about? I'm going to if it's okay, I'm going to start with Jesse and I'm going to put you on the spot. Jesse But if you have that one pressing need, please let us know and then we'll move forward. Before we wrap this up.

Jesse Palacios:

Yeah, if I may just like to share with you the, you know, the CDBG program that we're administering. So, we have a total of 312 approved and funded borrowers. That's around \$98 million. However, there are also a hundred approved but unfunded borrowers that are, you know, on our on our waitlist and, you know, we launched this program in January 2021.

We have to close the intake in November 2021 because we there's just not much money available or left for the 154 applicants that we reviewed and determined them eligible. So even with the amount of money that we received from CDBG, we still have 254 families that are unfunded. So, I know from the government side there is a shortage of funding assistance for us.

So that's I don't know if our FHLbank system can provide, you know, the same kind of programs or we can do a like the one we did with USDA already was an 8020 split, you know, where USDA provided 80%, the local program provided 20% or any other kind of combination just to stretch the federal dollars. So, Thank you.

Eric Howard:

Great, thank you.

Gerard Cruz:

I don't know if there's any one pressing need that is going to that I can think of, but I think it begins with continue a dialog and having more and more ideas come to the table and just scrubbing them in and then ultimately implementing them. There's no silver bullet. We've been trying to solve the affordable housing market since, since I can remember, and it's been on the hair, on my face with on my head, on my on my chin. So, I don't believe there's a panacea. There's no silver bullet. It's just going to require a dialog. And there are a lot of different stakeholders in a lot of different moving parts. But if we continue to talk about it and hone in on an ultimate solution, I think we will get there and

it starts with, I believe, changing the voices that are making the pitch to make those changes which in which ultimately is results that will ultimately inclusion of more and more stakeholders.

Eric Howard:

Okay. Thank you. So, let's go to Philip

Philip Flores:

Yeah. You know when pre-COVID when our examination teams would come out the safety and soundness teams or maybe every they see us every 18 months and I think it's the same for you are in the hand said which is no longer here but they would hold a directors meeting their directors board of directors call for what it was directors call it as well to us, and three or four of the examiners would be there for a day and they just go over programs and we put over regulations.

There was a lot of Q&A. Everybody benefit, not just with member banks, but I think the FDIC benefited too. Now, I know we're another seven our we're so far away. We're only 7 hours after Hawaii and there's an expense to that. And but Covid is in the rearview mirror. If you could send out a team to hold like a one or a day two conference and then we could bring in those other people, like Mary was talking about economic, the gold authority, the all of them not just from Guam, but from saved there. And we also have a member bank, Bank of the Federated States of Micronesia to bring them in. I don't know if they're members, though. Home Loan Bank Board elbow better, but they are an FDIC bank and I think their CEO spends most of his time elsewhere. And so, I bet if I'm correct, Jesse, but if I think something like that would be really, really appreciated and would throw you your picture on the front door of our homes.

Eric Howard:

Right. Thank you so much. Philip. Mary, I'm going to move to you.

Mary Guerrero:

As being a non-member of the availability of funds to address issues for projects like for infrastructure, for lending, capital, for down payment assistance funding. What would be available is the non-member at the cheapest cost of funds so that we can pass on that savings to make programs available? We have programs interest free for soft for a second mortgage so that we can reduce the required down payment. We have programs for first time we need to address to continue funding off these programs, which we can see the need of these programs. But there has to be other ways to address the funding sources because those are depleting and we would like to continue because it's not only available for our corporation, but as well as to the banks. We have programs that we that we work with, the banks they use. They have we make available to the banks. So

really, homeownership for every for everyone that can avail themselves to that, it's always about the funding and how we can best continue these programs by identifying sources of funding for those.

Eric Howard:

Okay. Thank you. So, Maria, you kicked off a good recommendation for we started going the round robin. Do you have another one before we close?

Maria Guerrero:

No, I think that I'll just end with what I said. Thank you.

Eric Howard:

Okay, great. So, in closing, Renecia, and I want to thank you for your time and your thoughtful remarks. They are valuable to get us to think about issues in Guam and the Northern Mariana Islands. Also, we would be remiss in not thinking the FHFA, FHFA staff who have been behind the scenes making sure that this roundtable discussion, along with all those preceding this one, has been successful. And finally, as we enter the homestretch for soliciting stakeholder observations, perspectives, and ideas, I want to encourage everyone to make plans to join the wrap up listening, which is scheduled next week, March 22nd through the 24th. You can find more information about the upcoming listening session on FHFA bank, Web page. And finally, just want to say thank you. I've enjoyed speaking with all of you. Have a great day. And that's it.