"MEMBERS OF THE BANKS"

OMB NUMBER 2590-0003

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Circumstances necessitating the collection of information

The Federal Home Loan Bank System consists of eleven regional Federal Home Loan Banks (Banks) and the Office of Finance (a joint office that issues and services the Banks' debt securities). The Banks are wholesale financial institutions, organized under the 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 certain eligible nonmembers. Each Bank is structured as a regional cooperative that is owned and controlled by member institutions located within its district, which are also its primary customers. The Banks carry out their public policy functions primarily by providing low cost loans, known as advances, to their members. With limited exceptions, an institution may obtain advances and access other products and services provided by a Bank only if it is a member of that Bank.

The Bank Act limits membership in any Bank to specific types of financial institutions located within the Bank's district that meet specific eligibility requirements. Section 4 of the Bank Act specifies the types of institutions that may be eligible for membership and establishes eligibility requirements that each type of applicant must meet in order to become a Bank member.[1] That provision also specifies that (with limited exceptions) an eligible institution may become a member only of the Bank of the district in which the institution's "principal place of business" is located.[2] With respect to the termination of Bank membership, section 6(d) of the Bank Act sets forth requirements pursuant to which an institution may voluntarily withdraw from membership or a Bank may terminate an institution's membership for cause.[3]

FHFA's regulation entitled "Members of the Banks," located at 12 CFR part 1263, implements those statutory provisions and otherwise establishes substantive and procedural requirements relating to the initiation and termination of Bank membership. Many of the provisions in the membership regulation require that an institution submit information to a Bank or to FHFA, in most cases to demonstrate compliance with statutory or regulatory requirements or to request action by the Bank or Agency.

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[1] *See* 12 U.S.C. § 1424(a).
[2] *See* 12 U.S.C. § 1424(b).
[3] *See* 12 U.S.C. § 1426(d).

In total, there are four types of information collections that may occur under part 1263. First, the regulation provides that (with limited exceptions) no institution may become a member of a Bank unless it has submitted to that Bank an application that documents the applicant's compliance with the statutory and regulatory membership eligibility requirements and that otherwise includes all required information and materials.[4] Second, the regulation provides applicants that have been denied membership by a Bank the option of appealing the decision to FHFA. To file such an appeal, an applicant must submit to FHFA a copy of the Bank's decision resolution denying its membership application and a statement of the basis for the appeal containing sufficient facts, information, and analysis to support the applicant's position.[5] Third, the regulation provides that, in order to initiate a voluntary withdrawal from Bank membership, a member must submit to its Bank a written notice of intent to withdraw.[6] Fourth, under certain circumstances, the regulation permits a member of one Bank to transfer its membership to a second Bank "automatically" without either initiating a voluntary withdrawal from the first Bank or submitting a membership application to the second Bank. Despite the regulatory reference to such a transfer as being "automatic," a member meeting the criteria for an automatic transfer must initiate the transfer process by filing a request with its current Bank, which will then arrange the details of the transfer with the second Bank.[7]

2. Use of data

The Banks use most of the information collected under part 1263 to determine whether an applicant satisfies the statutory and regulatory requirements for Bank membership and should be approved as a Bank member. The Banks may use some of the information collected under part 1263 as a means of learning that a member wishes to withdraw or to transfer its membership to a different Bank so that the Bank can begin to process those requests. In rare cases, FHFA may use the collected information to determine whether an institution that has been denied membership by a Bank should be permitted to become a member of that Bank.

Each Bank has its own process for collecting this information. FHFA does not maintain the forms used to collect the information, and therefore, no forms have been submitted as part of this request.

3. Use of information technology

The information collection permits the use of automated, electronic, mechanical, or other technological collection techniques, or other forms of information technology. For example, respondents can use technologies that calculate the performance ratios required in the membership application process, to reduce the information collection burden. Each Bank has its own process for collecting this information, and therefore, submission methods vary and are at the discretion of the Banks.

4. Efforts to identify duplication

[4] *See* 12 CFR 1263.2(a), 1263.6-1263.9, 1263.11-1263.18.
[5] *See* 12 CFR 1263.5.
[6] *See* 12 CFR 1263.26.
[7] *See* 12 CFR 1263.4(b), 1263.18(d), (e).

The information collection avoids duplication because it requires the submission of information that already is available to, or compiled by, respondents for other purposes. For instance, a respondent can submit information already required for the Federal Deposit Insurance Corporation Report of Condition and Income, audited financial statements, or the public portion of its Community Reinvestment Act examination.

5. Impact on small entities

The information collection does not have a significant economic impact on a substantial number of small entities. The membership regulation implements statutory requirements and is applicable to all institutions regardless of their size.

6. Consequences of less frequent collection and obstacles to burden reduction

Under part 1263, information is collected on an as-needed basis only. If the information is not collected at the times specified in part 1263, the Banks would be unable to determine whether applicants satisfy the statutory and regulatory requirements for Bank membership and would have no means of learning that a member wishes to withdraw or transfer its membership to another Bank. In addition, FHFA would be unable to determine on appeal whether an institution that has been denied membership by a Bank should be permitted to become a member of that Bank.

7. Circumstances requiring special information collection

There are no special circumstances requiring FHFA to conduct the information collection in a manner inconsistent with the guidelines provided in this Item #7.

8. Solicitation of comments on information collection

In accordance with the requirements of 5 CFR 1320.8(d), FHFA published a request for public comments regarding this information collection in the *Federal Register* on September 18, 2026.[8] The 60-day comment period closed on November 17, 2026.

FHFA received one comment supporting renewal of the information collection and recommending clearer identification of the purposes served by requested information, greater reuse of existing information, procedures for identifying supplemental or corrected information, and electronic features intended to reduce duplication and improve the usability of the record. The commenter also recommended additional review of the activities reflected in FHFA's burden estimates but did not provide alternative estimates or operational data. FHFA agrees that clarity and avoidance of unnecessary duplication are appropriate objectives. Because part 1263 establishes general requirements and generally permits each Bank to determine the manner in which it collects and maintains the necessary information, FHFA is not adopting standardized collection or recordkeeping procedures in connection with this renewal. FHFA has reviewed the comment and continues to believe that its burden estimates are reasonable.

[8] *See* 91 FR 59131 (Sept. 18, 2026).

9. Provision of payments or gifts to respondents

No payment or gift will be provided to any respondent.

10. Assurance of confidentiality

The Banks and FHFA maintain the confidentiality of information obtained from respondents as required by applicable statute, regulation, or agency policy.

11. Questions of a sensitive nature

There are no questions of a sensitive nature in the information collection.

12. Estimates of the hour burden of the information collection

FHFA is seeking OMB clearance for four information collections under this control number: (1) membership applications; (2) appeals of membership denials; (3) notices of intent to withdraw from membership; and (4) requests for transfer of membership to another Bank district. The total estimated annualized hour burden imposed upon respondents by these four information collections is 1,637 hours. The estimated annualized cost associated with this burden estimate is $163,578, which includes salaries, benefits, and overhead costs. These estimates are based on the following calculations:

1) *Membership Applications*

The estimated annualized hour burden associated with the preparation and submission of applications for Bank membership and supporting materials is 1,575 hours. The estimated annualized cost associated with this burden estimate is $155,505. These estimates are based on the following calculations:

Applicant Staff Analyst prepares the membership application.

- Time per application: 9 hours
- Total applications: 105
- Total hours: 945
- Hourly rate: $84 (includes salary, benefits, and overhead)
- Total cost: $79,380

Outside attorney reviews the application to ensure compliance with statutory and regulatory requirements.

- Time per application: 2 hours
- Total applications: 105
- Total hours: 210
- Hourly rate: $160 (includes salary, benefits, and overhead)

- Total cost: $33,600

Management reviews and then presents the application to the board of directors for approval.

- Time per application: 3 hours
- Total applications: 105
- Total hours: 315
- Hourly rate: $135 (includes salary, benefits, and overhead)
- Total cost: $42,525

Applicant's board of directors discusses and approves membership application.

- Time per application: 1 hour
- Total applications: 105
- Total hours: 105

There are no charges/expenses for board of director reviews for membership applications as the review typically occurs at a regularly scheduled board of directors meeting.

2) *Appeals of Membership Denials*

The estimated annualized hour burden associated with the preparation and submission of applications for appeal of a membership denial to FHFA is 50 hours. The estimated annualized cost associated with this burden estimate is $6,750.

Management of appealing institution prepares and submits an appellate application to FHFA.

- Time per application: 50 hours
- Total appeals: 1
- Total hours: 50
- Hourly rate: $135 (includes salary, benefits, and overhead)
- Total cost: $6,750

3) *Notices of Intent to Withdraw from Membership*

The estimated annualized hour burden associated with the preparation and submission of notices of intent to withdraw from membership is 6 hours. The estimated annualized cost associated with this burden estimate is $810. These estimates are based on the following calculation:

Management of withdrawing member prepares and submits a notice of intent to withdraw from membership.

- Time per notice: 1.5 hours
- Total notices: 4
- Total hours: 6
- Hourly rate: $135 (includes salary, benefits, and overhead)

- Total cost: $810

4) *Requests for Transfer of Membership to Another Bank District*

The estimated annualized hour burden associated with the preparation and submission of requests for automatic transfer of membership to another Bank is 6 hours. The estimated annualized cost associated with this burden estimate is $513. These estimates are based on the following calculation:

Management prepares request to transfer membership to another Bank district.

- Time per request: 1 hour
- Total requests: 3
- Total hours: 3
- Hourly rate: $135 (includes salary, benefits, and overhead)
- Total cost: $405

Administrative assistant prepares and submits to the Bank a request to transfer membership to another Bank district.

- Time per request: 1 hour
- Total requests: 3
- Total hours: 3
- Hourly rate: $36 (includes salary, benefits, and overhead)
- Total cost: $108

13. Estimated total annualized cost burden to respondents

FHFA has not identified any costs to respondents other than the hourly personnel costs detailed under item #12.

14. Estimated cost to the federal government

The estimated annual cost burden to FHFA is $17,536 and 149 hours, calculated as follows:

1) *Membership Applications*

The estimated annualized hour burden associated with the tracking of applications for Bank membership and supporting materials is 84 hours. The estimated annualized cost associated with this burden estimate is $10,057. These estimates are based on the following calculation:

Financial analyst tracks all Bank membership applications and associated docket number requests and performs general clerical functions.

- Time per application: 0.8 hours
- Total applications: 105

- Total hours: 84
- Hourly rate: $89 (includes salary, benefits and overhead)
- Total cost: $10,057

2) *Appeals of Membership Denials*

The estimated annualized hour burden associated with the review of, and the making of determinations on, applications for appeal of a membership denial to FHFA is 62 hours. The estimated annualized cost associated with this burden estimate is $7,212. These estimates are based on the following calculations:

Staff attorney reviews appellate application to confirm eligibility with statutory and regulatory membership eligibility requirements and to ensure the absence of any special legal issues and drafts recommendation for Agency management.

- Time per application: 50 hours
- Total applications: 1
- Total hours: 50
- Hourly rate: $108 (includes salary, benefits, and overhead)
- Total cost: $5,400

Management reviews appellate application and Bank and FHFA staff recommendations and makes a determination on the application.

- Time per application: 12 hours
- Total applications: 1
- Total hours: 12 hours
- Hourly rate: $151 (includes salary, benefits, and overhead)
- Total cost: $1,812

3) *Notices of Intent to Withdraw from Membership*

The estimated annualized hour burden associated with the tracking of notices of intent to withdraw from membership is 2 hours. The estimated annualized cost associated with this burden estimate is $178. These estimates are based on the following calculation:

Financial analyst tracks Bank membership withdrawals and associated docket number retirements and performs general clerical functions.

- Time per notice: 0.5 hours
- Total notices: 4
- Total hours: 2
- Hourly rate: $89 (includes salary, benefits, and overhead)
- Total cost: $178

4) *Requests for Transfer of Membership to Another Bank District*

The estimated annualized hour burden associated with the tracking of automatic transfers of membership to another Bank is 1 hour. The estimated annualized cost associated with this burden estimate is $89. These estimates are based on the following calculation:

Financial analyst tracks transfers and performs general clerical functions to transfer membership to another Bank district.

- Time per request: 0.2 hours
- Total requests: 3
- Total hours: 1 (rounded)
- Hourly rate: $89 (includes salary, benefits, and overhead)
- Total cost: $89

15. Reasons for change in burden

FHFA has decreased the estimated total annual burden hours to 1,637 from the 2,181 that were shown in the Supporting Statement submitted in connection with the 2023 renewal of this information collection, due primarily to lower projections for the average number of membership applications to be received by the Banks over the next three years (based on data from 2022-2025).

16. Plans for tabulation, statistical analysis and publication

FHFA will not publish the results of this information collection.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate

FHFA plans to display the expiration date for OMB approval.

18. Explain each exception to the topics of the certification statement identified in "certification for paperwork reduction act submission"

There are no exceptions to the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

B. Collection of Information Employing Statistical Methods

The information collection does not employ statistical method.