



Federal Housing Finance Agency

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August 5, 2024

Mr. Timothy J. Barrett
President and Chief Executive Officer
Federal Home Loan Bank of Boston
800 Boylston Street, 9th Floor
Boston, MA 02199

Re: Final Determination of 2023 Housing Goals Performance

Dear Mr. Barrett:

The Federal Housing Finance Agency (FHFA) has reviewed the Federal Home Loan Bank (FHLBank) of Boston's performance under the FHLBank housing goals for 2023 and is providing this notice of FHFA's final determinations under FHFA's FHLBank housing goals regulation, 12 CFR Part 1281.

FHFA reviewed the FHLBank of Boston's response, dated June 7, 2024, to FHFA's 2023 preliminary determinations of the FHLBank's housing goals performance. The FHLBank of Boston stated that a combination of low housing inventory, high housing costs within its district, and high interest rates caused homeownership to be unattainable for many low-income borrowers. The FHLBank also stated that the MPF Program was less competitive in 2023 as an outlet for secondary market sales relative to other housing government sponsored entities that were active in purchasing loans to low-income households, resulting in a decline in the percentage of lower-income loans sold to the MPF Program compared to previous years. The FHLBank has been working on several initiatives to improve overall MPF loan origination and 2024 housing goals performance.

FHFA has determined that the FHLBank of Boston's 2023 performance under the mortgage purchase housing goal was 14.2 percent, compared to the regulation's target of 20.0 percent, and its 2023 performance under the community-based AMA user housing goal¹ was 66.0 percent, compared to the regulation's target of 50.0 percent. Therefore, FHFA's final determinations are that the FHLBank of Boston did not meet the 2023 mortgage purchase housing goal and met the 2023 community-based AMA user housing goal.

¹ Also referred to as the "small member participation housing goal."

FHFA’s FHLBank housing goals regulation establishes annual goals for FHLBank Acquired Member Assets (AMA) activity. The regulation includes both a mortgage purchase housing goal and a community-based AMA user housing goal.

For the mortgage purchase goal, at least 20 percent of a FHLBank’s AMA mortgage purchases must be for low-income families, very low-income families, or families in low-income areas. 12 CFR 1281.11(a). For the community-based AMA user housing goal, at least 50 percent of a FHLBank’s total AMA users – as that term is defined at 12 CFR 1281.1 – must be community-based AMA users. 12 CFR 1281.11(b). A community-based AMA user is an AMA user whose average total assets over the three-year period culminating in the year preceding the one being measured are no greater than the applicable community-based AMA user asset cap. 12 CFR 1281.1 (definition of “community-based AMA user”). The cap for 2023 was \$1.417 billion.

The FHLBank housing goal regulation provides for a gradual implementation of the regulation’s housing goals structure. Under the regulation, FHFA will not impose a housing plan on any FHLBank based on its performance in 2021, 2022, or 2023, regardless of whether the FHLBank achieved the goals in those years. 12 CFR 1281.15(a). For any year after 2023, if the Director determines that a Bank has failed to meet any housing goal and that the achievement of the housing goal was feasible, the Director may require the Bank to submit a housing plan for approval. 12 CFR 1281.15(a).

The FHLBank’s performance on each goal is summarized in the following tables.

Final Determination – FHLBank of Boston’s 2023 Performance

Mortgage Purchase Housing Goal	
Total 2023 loans meeting the mortgage purchase goal	164
Total 2023 eligible AMA purchases	1,152
Percentage of loans meeting the mortgage purchase goal	14.2%
Target level	20.0%

Please see the table on the following page for details.

Community-Based AMA User Housing Goal	
Total 2023 AMA Users	47
Total 2023 Community-Based AMA Users	31
Percentage of AMA Users that were Community-Based AMA Users	66.0%
Target level	50%

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I encourage you to continue to contact Ted Wartell, Associate Director, Office of Housing & Community Investment, at Ted.Wartell@fhfa.gov or 202-573-4152, with any questions.

Sincerely,

Naa Awaa Tagoe

Naa Awaa Tagoe
Deputy Director
Division of Housing Mission and Goals

cc: Joshua Stallings
James Wylie

Appendix: Detailed Mortgage Purchase Housing Goals Calculation

Under FHFA's FHLBank housing goals regulation, three categories of loan purchases count for the mortgage purchase housing goal:

- Loans to very low-income families (*i.e.*, incomes at or below 50% of area median income (AMI));
- Loans to low-income families who are not very low-income (*i.e.*, incomes above 50% and at or below 80% of AMI); and
- Loans to families with incomes above 80% of AMI in low-income areas.

The regulation provides that no more than 25 percent of AMA mortgage purchases counting towards the mortgage purchase housing goal may be for families with incomes exceeding 80 percent of AMI. Accordingly, some AMA mortgage purchases for families in low-income areas that would otherwise count for goals credit are not counted for the mortgage purchase housing goal because they are not for low-income (at or below 80 percent of AMI) or very low-income (at or below 50 percent of AMI) families.

Final Determination - FHLBank of Boston's 2023 Performance	
<i>Mortgage Purchase Housing Goal</i>	
Loans to very low-income families	14
Loans to low-income families who are not very low-income	109
Loans to families with incomes above 80% of area median income in low-income areas	119
Maximum creditable loans to families with incomes above 80% of area median income under the 25% cap ²	41
Loans to families in low-income areas counted toward the mortgage purchase goal	41
Total 2023 loans meeting the mortgage purchase goal	164
Total 2023 eligible AMA purchases	1,152
Percentage of loans meeting the mortgage purchase goal	14.2%
Target level	20%

² 12 CFR 1281.11(a)(2) ("No more than 25 percent of the mortgages that are counted toward a Bank's achievement of the prospective mortgage purchase housing goal may be mortgages for families with incomes above 80 percent of area median income. Any purchases of mortgages for families with incomes above 80 percent of area median income in excess of the 25 percent cap shall be treated as mortgage purchases for purposes of the housing goals and shall be included in the denominator for the housing goal, but such mortgages shall not be included in the numerator in calculating a Bank's performance under the housing goal.")