



**Testimony in Support of Senate Bill 102**  
**House Committee on Commerce and Consumer Protection**  
**April 22, 2025**

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne and members of the House Committee on Commerce and Consumer Protection, my name is Kevin Christiansen and I am the government affairs director for the Oregon Bankers Association (“OBA”) and Community Banks of Oregon (“CBO”). Together, these organizations represent the diverse FDIC-insured banks and trust companies doing business in Oregon. The banking industry employs approximately 20,000 Oregonians in almost 800 locations throughout our state. Thank you for the opportunity to provide written testimony in support of Senate Bill 102 concerning the Federal Home Loan Banks (“FHLB”).

By way of background, the FHLB System includes 11 FHLB’s around the country. Most Oregon banks are members of the FHLB of Des Moines, which covers the state of Oregon. The primary mission of the FHLB’s is to serve as a reliable source of liquidity and funding for housing finance and community investment. FHLB’s were created in 1932 and were designed to encourage home ownership providing a source of low-cost funds for member banks to extend more mortgage loans.

Senate Bill 102 would modify certain statutes that pertain to FHLB members. Insurance company members that borrow from FHLB’s generally do so with less favorable terms than with insured depository institutions of equal credit quality. These less favorable terms include increasing levels of required collateral. The uneven requirements inhibit a source of investment in needed affordable housing around the country and in Oregon where the affordable housing shortage is particularly acute.

Senate Bill 102 would allow the FHLB of Des Moines to maintain equal collateral requirements for insurance companies and banks. It would remove barriers for insurance company members to encourage their greater participation in affordable housing and community investment grant programs. Further, it would harmonize Oregon law with federal statutory treatment for insured depository members, reducing risk for all members while increasing stability within the FHLB banking system. It would also establish procedures in the unlikely event of an insurance company insolvency.

OBA encourages you to support Senate Bill 102. If you have any questions, please feel free to contact me at (503) 576-4123 or our lobbyist John Powell at (503) 510-8758. Thank you.