



## President's Message to Members

Ten years ago our country faced a staggering financial collapse from Wall Street to Main Street. The dizzying array of headlines in September 2008 told of the failure of Lehman Brothers, the conservatorships of Fannie Mae and Freddie Mac, and the tsunami of foreclosures that would impact eight million households. The FHLBanks proved resilient and our borrowing window remained open for our members, but we held our collective breath with the rest of the nation during those stressful weeks and months. A decade on, we reflect on lessons learned and we consider the pathway forward.

Perhaps the two most important takeaways are, first, Main Street matters, and second, solutions are collaborative. In an interview earlier this year, Timothy Geithner, Treasury Secretary from 2009-2013 said, "We saved the economy from a failing financial system, though we lost the country doing it." He was unable to convince Main Street that the bailout of Wall Street had a direct, meaningful impact on all citizens, and public confidence is critical to a full recovery. That confidence is still being tested. Public opinion polls cited in a September 2018 report from the American Enterprise Institute show 68 percent of respondents believe Wall Street is dominated by immoral and dishonest people, a position unchanged from 2012. However, the general public continues to express ambivalent and even contradictory views on regulation. Depending on the poll and the question asked, large majorities believe a lack of government regulation contributed to the financial crisis, and that Wall Street should be held accountable. At the same time, large numbers of people believe regulation does more harm than good, and express little confidence in regulations or the regulators who enforce them.

This division of opinion is also found among lawmakers, though some have sought a pathway forward through consensus. The House Financial Services Committee held a hearing, September 7, *A Failure to Act: How a Decade without GSE Reform Has Once Again Put Taxpayers at Risk*, where Chairman Hensarling introduced a bipartisan discussion draft of legislation to wind down the enterprises, replace them with private capital investors, and provide an explicit government guarantee. The proposal calls for FHLBanks to aggregate members' mortgages into the secondary market, allowing members to retain servicing rights and, thereby, the customer relationship. This approach is consistent with our existing Mortgage Purchase Program, where the member assumes the credit risk of the mortgages originated, and the FHLB manages the interest rate risk.

Whether for mortgage purchases, the extension of secured Advances, or grants to fund affordable housing, the FHLB understands the interconnected roles of global funding and local lending. Ten years on, we know we are not immune to future crises or dynamic industry changes, but we are steadfast in our cooperative business model that supports our members and their customers, with a reliable source of credit for housing finance, small business and community lending.

Sincerely,



Andrew S. Howell, President and CEO

## Board of Directors Election Update

The election for the FHLB Board of Directors is underway. Ballots were mailed on October 5 to all eligible voting members. We encourage all members to vote in the election of two independent directors. Eligible Ohio members are also encouraged to vote for one Ohio member director and eligible Tennessee members are encouraged to vote for two Tennessee member directors.

Ballots must be received by the Bank by close of business on Friday, November 9. The Board will ratify the election results on Thursday, November 15.

## FHLB Joins Sen. Portman for Opioid Roundtable

FHLB staff joined Ohio Sen. Rob Portman, government, healthcare and social services officials for a roundtable on efforts to address the opioid epidemic. FHLB continuously looks for new ways to leverage our expertise in housing to address issues affecting the Fifth District.



## News You Can Use: New Analytics Resources Available

The FHLB Cincinnati Member Analytics staff released a new white paper entitled *2017 Mortgage Market Review*. The paper examines trends in mortgage volume over the last five years throughout the Fifth District and on a state level. All member analytics and white papers are available on the Members Only website.

As always, the FHLB stands ready to assist members in understanding the role the FHLB can play in managing funding needs and A/L management. Our dedicated marketing staff travels throughout the Fifth District to meet with our members personally on these topics and provide them with customized reporting. If you are unsure who to contact, this information is available on our Members Only website.



## Financial Management Conference Recap



The FHLB would like to extend a note of thanks to the membership for their continued support and attendance at the annual Financial Management Conference. This year’s event *Steppin’ Up: Setting the Stage for Success* was held August 8-9 in Nashville, Tenn. More than 160 people from 102 member institutions participated in the event, which featured presentations by experts on how the FHLB can assist our members on asset-liability management, strategic planning and technology.

At our website [fhlbcin.com](http://fhlbcin.com), watch News and the Calendar for announcements of 2019’s regional stockholders meetings, Financial Management Conference, the Mortgage Purchase Program User Group meeting and more.

## FHLB Officers Promoted



Roger B. Batsel

**Roger B. Batsel** was promoted to Senior Vice President, Chief Information and Operations Officer for FHLB Cincinnati.

In this role, Roger will oversee the Information Technology, Correspondent Services and Administrative Services departments. Since his hire in January 2014,

he has led the transformation of the technology department.

Roger earned his Bachelor of Science in computer science at the University of North Carolina, Asheville and received his Master of Business Administration from Bellarmine University in Louisville, Ky.



Daniel A. Tully

**Daniel A. Tully** was promoted to First Vice President, Assistant Chief Risk and Compliance Officer.

In this role, he will assist Greg Dooley, EVP, Chief Risk and Compliance Officer, in directing and managing the Enterprise Risk Management department. Dan earned his Bachelor of Arts in marketing and finance from Ohio University and his Master of Business Administration from the University of Illinois.

## Marlowe Court Opens in Cincinnati

CEO Andy Howell helped cut the ribbon at the grand opening of Episcopal Retirement Services’ Marlowe Court in Cincinnati. This project was made possible in part with a \$529,947 Affordable Housing Program grant through member Huntington Bank. The 53 multifamily rental unit facility will provide very low- and low-income housing for seniors.



## Advisory Council Appointments, Reappointments

FHLB announces the addition of three new members to its Affordable Housing Advisory Council and the reappointment of two members. Each will serve a three-year term that begins January 1, 2019.

Appointed by the Board of Directors as new members of the Council are: **Walter B. Crouch**, CEO/President, Appalachia Service Project in Johnson City, Tenn.; **Lori H. Flanery**, CEO, New Directions Housing Corp. in Louisville, Ky.; and **Charles D. Hillman**, CEO/President, Columbus Metropolitan Housing Authority in Columbus, Ohio.

Reappointed to the Advisory Council are: **James E. Harbison**, Executive Director, Metropolitan Development and Housing Agency in Nashville, Tenn.; and **Natalie H. Harris**, Executive Director, The Coalition for the Homeless Inc. in Louisville, Ky.

## Dividend Declaration and Payment

At its September 20, 2018, meeting, the FHLB’s Board of Directors declared a dividend for the second quarter 2018 at a 6.00 percent annualized rate. The dividend payment occurred September 20 in the form of cash.

## FHLB Welcomes New Member

The FHLB welcomes the following new member stockholder:

- Friends and Family Credit Union, Massillon, Ohio

## Calendar

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| November 12 | Veterans Day (observed) – FHLB closed              |
| November 15 | Affordable Housing Program – 2018 awards announced |
| November 22 | Thanksgiving Day – FHLB closed                     |

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| December 3  | Welcome Home Program – deadline for 2018 Funding Requests           |
| December 3  | Carol M. Peterson Housing Fund – deadline for 2018 Funding Requests |
| December 25 | Christmas Day – FHLB closed   |