



November 29, 2010

Alfred M. Pollard
General Counsel
Attention: Comments/RIN 2590-AA35
Federal Housing Finance Agency
Fourth Floor, 1700 G Street, NW
Washington, D.C. 20552

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VIA E-Mail (regcomments@fhfa.gov)

Re: Notice of Proposed Rulemaking and Request for Comments – Information Sharing Among Federal Home Loan Banks (RIN 2590-AA35)

Dear Mr. Pollard:

The Federal Home Loan Bank of Des Moines (FHLB Des Moines) appreciates the opportunity to comment on the Proposed Rule issued by the Federal Housing Finance Agency (Finance Agency) on September 30, 2010 concerning information sharing among the Federal Home Loan Banks (FHLBanks). The FHLB Des Moines generally supports efforts to enhance the information available regarding the condition of the other FHLBanks, and in particular supports the provisions of the Proposed Rule which provide for sharing of: 1) final ROEs presented to an FHLBank's board of directors and 2) any other final Finance Agency supervisory determination presented to an FHLBank's board of directors. In addition, the FHLB Des Moines believes the FHLBanks should also have access to the ROE responses of other FHLBanks. Access to these responses would provide useful additional information regarding issues raised in an ROE, and how an FHLBank has addressed or intends to address them. Therefore, we request that the Finance Agency consider enhancing this provision by stating that the Finance Agency shall distribute ROE responses to the other FHLBanks as they become available to the Finance Agency.

In addition to the foregoing, the FHLB Des Moines also offers the following comments as suggestions to improve the Proposed Rule:

A. The Final Regulation Should be Enhanced to Protect Certain Confidential, Proprietary and Sensitive Information

Providing an FHLBank with access to sensitive or confidential strategic, operational, and business information of another FHLBank which may be contained in the other FHLBank's ROE may not be appropriate. Additionally, such disclosure may be subject to certain legal limitations, such as confidentiality agreements or confidentiality provisions of license or other similar agreements. Finally, the ROEs may contain information that is not strictly proprietary but is highly sensitive, such as personnel matters. Therefore, we request that any final Finance Agency regulation include an explicit recognition that information beyond that which is strictly "proprietary," but may be "sensitive or confidential," also would be subject to protection from disclosure to the other FHLBanks by the Finance Agency.

B. Timing of Routine Disclosures; Objections; Transition

The FHLB Des Moines supports section 1260.3(b) and (c) of the Proposed Rule under which an FHLBank will be given ten (10) business days to object to the disclosure of any confidential and proprietary information. However, we believe that this provision should be enhanced in the following ways:

- When an FHLBank has objected to the disclosure of certain confidential, proprietary or sensitive information in the ROE and the Finance Agency determines not to accept the FHLBank's requested redactions in full or in part, the Finance Agency shall notify the FHLBank in writing regarding which information will not be redacted. This notice should be provided before the Finance Agency distributes the ROE, so that the FHLBank may, if necessary, make appropriate SEC or contractual disclosures in a timely fashion.
- With respect to the distribution of each FHLBank's most recent ROE contemplated in the transition provision section of proposed section 1260.3(e), FHLBank Des Moines requests that the transition provision provide for 15 business days for each FHLBank to submit an objection to the Finance Agency. Under existing regulations and the Advisory Bulletin 2006-AB-03, the FHLBanks cannot share their ROEs even on a voluntary basis with each other; thus, under the transition provision of the Proposed Rule, each FHLBank will be reviewing its ROE for potential information sharing concerns for the first time. FHLBank Des Moines supports providing only the most current ROE for the transition provision as proposed.

C. FHLBanks Must Ensure that their Directors, Officers and Employees with Access to Supervisory Information Regarding Another FHLBank Maintain the Confidentiality of that Information

Because ROEs may contain highly sensitive and confidential information, all FHLBanks should be required under the provisions of the final regulation to use reasonable means, but not less than that used to protect their own proprietary information, to safeguard another FHLBank's ROE and avoid its unauthorized disclosure, dissemination or use.

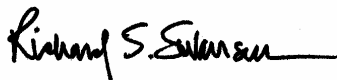
D. Responses to Specific Requests for Comment

The Finance Agency requested comment on whether the rule should allow the Finance Agency to expand the categories of information to be distributed to the FHLBanks through a less formal means, without undertaking a subsequent rulemaking. We support such a provision, as long as the FHLBanks are given a reasonable opportunity to review and comment on the proposed expansion in advance.

The Finance Agency also requested comments on whether the rule should retain the approach whereby the Finance Agency distributes supervisory information directly to each of the FHLBanks – as opposed to requiring that each FHLBank furnishes such information directly to all other FHLBanks. We support the currently proposed approach because we believe it is the most efficient and effective means for complying with Section 20A of the Housing and Economic Recovery Act of 2008.

On behalf of the Federal Home Loan Bank of Des Moines, we thank the Finance Agency for its consideration of this comment letter.

Respectfully submitted,



Richard S. Swanson, President and CEO