



Michigan Bankers Association

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March 21, 2011

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Finance Housing Agency
1700 G Street, NW, Fourth Floor
Washington, D.C. 20552

Sent via e-mail to: RegComments@fhfa.gov

Dear Mr. Pollard:

On behalf of the banking industry in Michigan, I appreciate the opportunity to comment on the Advance Notice of Proposed Rulemaking regarding membership in Federal Home Loan Banks.

The ANPR outlines the current membership requirements and introduces a number of possible changes to membership eligibility. Additionally, the Agency poses 16 questions on which it seeks comments.

The Michigan Bankers Association believes restricting membership in FHLBs runs counter to the stated mandate in the Federal Home Loan Bank Act and to the core mission of the FHLB system. Regulations should be adopted only to interpret congressional intent, not to expand upon it. The proposed new regulations would expand the boundaries of the Federal Home Loan Act by establishing new public policy. Such is the role of Congress, not governmental agencies.

In response to several of the questions raised in the ANPR, the MBA does not support expanding the 10% threshold beyond that required in the FHLA. Nor does the MBA support extending the 10% threshold to insurance companies or community development financial institutions. Additionally, the MBA does not support extending home financing requirements beyond that which is required in the FHLA. Congressional intent is clear in these matters.

Further, the MBA strongly believes that membership issues should be left to each FHLB.

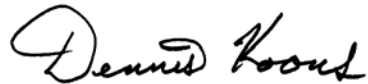
The Federal Home Loan Bank system provides an important source of funding for many Michigan banks. Any structural changes that would result in less funds being available for lending by FHLBs would be deemed as counterproductive to Michigan Banks.

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In summary, the MBA which represents the banking industry in Michigan does not support the thrust of the ANPR and believes the issues included therein are rightly the province of Congress and not the Federal Finance Housing Agency.

For these reasons, we respectfully request that the ANPR be withdrawn from consideration.

Sincerely,

A handwritten signature in black ink that reads "Dennis Koons". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

Dennis R. Koons, President & CEO