



March 22, 2011

VIA EMAIL

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency – Fourth Floor
1700 G Street, NW.,
Washington, DC 20552
RegComments@fhfa.gov

Re: ANPR, Members of Federal Home Loan Banks, RIN 2590-AA39

Dear Mr. Pollard:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 300 state and nationally chartered banks, savings and loan associations, and savings banks located in communities throughout the state. WBA appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA's) advance notice of proposed rulemaking (ANPR) regarding the membership requirements for members of Federal Home Loan Banks (FHLBs) and the housing finance mission of FHLBs.

Respectfully, WBA questions both the rationale and the statutory authority for the ANPR. Mission and membership are core attributes of the FHLB System (System) and are appropriately left to Congress to determine. WBA believes the premise underlying the ANPR to be deeply flawed in that it would, by regulation, not statute, eliminate some institutions from membership in the System and curtail the mission activities of other members.

The ANPR provides no evidence that the current methods for determining member eligibility or mission compliance are flawed. Instead, the ANPR contemplates replacing the existing mechanisms for determining membership eligibility and compliance with potentially stifling measures which will add regulatory burden and costs for members of the System and create confusion about ongoing membership eligibility and potentially add instability to the entire System. WBA believes that such instability is likely to drive both existing and potential members from the System, increase the costs of capital for the System overall, and reduce the viability of the System.

WBA also believes the changes will also discourage potential members from joining, ultimately inhibiting the ability of FHLBs to serve the housing and community development needs of their districts. The suggested changes will also likely prove particularly burdensome to small- and medium-sized members, at a time when such members are already subject to many other new regulatory requirements.

For these reasons, WBA strongly recommends FHFA not proceed with its rulemaking.

Sincerely,


Kurt R. Bauer
President/CEO

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