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March 24, 2011

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

Re: Advance Notice of Proposed Rulemaking and Request for Comments
– Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

The Independent Bankers Association of Texas (IBAT) appreciates the opportunity to comment on your advanced notice of proposed rulemaking regarding Federal Home Loan Bank (FHLB) membership. IBAT exclusively represents the interests of some 500 community banks across Texas, many of which rely on the Federal Home Loan Bank of Dallas for stable, lower-cost funding to meet the capital and credit requirements of their communities.

The FHLB System's mission helps finance homes, jobs, small businesses, local infrastructure, and affordable housing in communities in Texas and across America. The liquidity provided by the FHLB System has been a critical source of funding for our members, particularly during periods of credit contraction such as the one we are currently enduring. Any failure to continue to provide this additional liquidity would stress lenders' capital, further stem the flow of credit (particularly with respect to mortgage lending), stress an already reeling housing market, and put our economic recovery at risk.

The Federal Housing Finance Agency's (FHFA) regulations implementing the statutory membership requirements have contributed to the FHLB fostering liquid, efficient, competitive, and resilient national and Texas housing finance markets. For that reason, we were concerned when we learned that the FHFA is considering amending the membership requirements in a manner that would restrict, rather than broaden, membership. It is our view that restricting membership eligibility runs counter to the mission of the FHLB System. Because these longstanding membership requirements work just as they are written, in our opinion, no amendments are necessary.

Further, the fact that Congress has not acted after all these years to clarify its statutory membership requirements reflects tacit acquiescence and approval of FHFA's implementation of Congress' statutory FHLB Bank membership requirements. The rule changes that FHFA may propose would not only change its implementing membership regulations, but would also, without Congressional action, effectively and necessarily change the meaning of the

underlying statutory membership requirements. If FHFA adopts such rule changes, it would, in a sense, amend the statute.

Any alteration of the mission of the FHLB System or its membership eligibility should originate with Congress. Although Congress has had opportunities to do this, it has instead reaffirmed its commitment to strengthening the FHLB System by choosing not to alter its mission or membership criteria.

It is for these reasons that we respectfully request that FHFA withdraw consideration of any restrictive changes to its FHLB member eligibility regulations. We appreciate this opportunity to comment and thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Williston". The signature is written in a cursive, flowing style.

Christopher L. Williston, CAE
President and CEO