



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

March 16, 2011

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

Dear Mr. Pollard:

This letter is in response to the Federal Housing Finance Agency's (FHFA) request for comments on an advance notice of proposed rulemaking (ANPR) dealing with the nexus between Federal Home Loan Bank (FHLBank) membership requirements and the FHLBank's housing finance and community development mission, as established by Congress. By way of background, I am Chairman and President of Dearborn Federal Savings Bank (DFSB), a \$261 million federally chartered thrift institution who has been a long-time member of the Federal Home Loan Bank of Indianapolis (FHLBI).

In particular for a small institution like DFSB operating under the mutual form of governance, I cannot emphasize enough the importance of our "partnership" with the FHLBI with respect to our liquidity management. Having pre-approval for the ability to secure advances to spur economic growth and development is essential, especially in southeast Michigan where at times, it seems we are at the epicenter of the financial meltdown.

Our business plan presumes certainty of membership requirements, and to now consider adding more reporting requirements resulting in more overhead costs seems most inappropriate at this time. I am not currently aware of any existing membership rules which are in need of "fixing". To layer new requirements on top of the admittedly undigested changes brought about by the Dodd-Frank legislation, is "piling on" and threatens to bring to a screeching halt what little economic recovery has occurred.

As a cooperative, the FHLBI's mission is to support housing finance and economic development – for all sectors and players in the housing markets. Any new or changed membership requirements that further restrict or disqualify currently qualified members will only harm the fragile economy, discourage potential members from benefitting from the FHLBI's attractive array of products and services, and make it increasingly difficult for the FHLBanks to satisfy their mission requirements.

Our dependence on the efficient funding sources of the FHLBI is real. Any changes contemplated should be done with the laser-focused goal of encouraging lending and development activities by keeping advance rates economically affordable for all who now qualify for membership, and for those who should qualify for membership.

The focus of the new Congress should be to eliminate rules and regulations that prohibit economic expansion and serve to depress the housing market, the economic engine that is most important in moving America forward. In that spirit, I would respectfully request that this ANPR be withdrawn immediately.

Sincerely,

William R. White  
Chairman and President