



March 18, 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: Federal Housing Finance Agency (FHFA) Request for Comments

Dear Mr. Pollard:

The FHFA has requested comments on its proposal to review current Federal Home Loan Bank system (FHLB) membership requirements. While we believe that our company would not be impacted by any suggested changes, we see no compelling reason for imposing new rules. To the contrary, we believe that any changes that could potentially impact insurance company membership in the FHLB would be a negative for several reasons.

First and foremost, the relationship among the FHLB, insurance companies and the housing industry have been mutually beneficial since the FHLB was enacted almost 80 years ago. Any change that limits insurance company membership will similarly limit profitability of the FHLB, as well as limit the products and funding which have historically been used by insurance companies to invest in FHLB-supported housing programs. In addition, as significant participants in the housing industry, we believe that insurance companies should maintain their existing access to the benefits of FHLB membership.

Second, insurance companies use the FHLB as a significant tool for (i) short and long-term liquidity planning, (ii) a source of capital to manage unexpected and/or large liquidity needs, and (iii) reducing risk through enhanced asset liability management. Imposing new limits on insurance company membership in the FHLB would eliminate this tool, which currently serves as an effective way to address the expectations and concerns of ratings agencies, shareholders and other insurance industry stakeholders. If a "stress" environment similar to that of 2008 and 2009 would reoccur, the potential impact on the economy of a lack of insurance company liquidity and access to capital could be significant and severe.

Finally, we believe that the FHLB (as currently chartered) played a significant positive role during the recent economic crisis. For all of the aforementioned reasons, we are against making changes to FHLB membership requirements, especially at a time when the federal government is conducting a review of the entire housing finance system.

Sincerely,



Christopher P. Miliano
Executive Vice President and Chief Financial Officer
Great American Life Insurance Company