



March 17, 2011

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

RE: Advance notice of proposed rulemaking and request for comments – members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

The Federal Housing Finance Agency (FHFA) has requested comments on an advance notice of proposed rulemaking (ANPR) in which the agency has expressed its desire to review current Federal Home Loan Bank (FHLBank) membership requirements. On behalf of United Federal Credit Union, I am submitting this comment on the ANPR.

The ANPR does not describe why new membership rules are necessary and it does not present any information showing that there is a problem with current membership rules. The ANPR fails to cite a benefit it hopes to achieve by changing the membership rules to require continuous compliance. The FHFA's annual reports to Congress on the state of the FHLBanks required under the HERA Act have not noted any problems with the implementation of these rules.

As a federally chartered credit union and member of the Federal Home Loan Bank of Indianapolis, we believe our credit union sector shares a mission with the FHLBanks. Any restriction of membership as indicated in the proposed rules could have the unintended consequences of reducing the impact of the FHLBank in achieving its mission, create liquidity pressure in the credit union sector and increase interest rate risk at a time when the National Credit Union Administration is asking the credit union sector to reduce interest rate risk.

The regulatory changes the FHFA is considering will make it more difficult for financial institutions such as ours to access the liquidity available through FHLBank advances and will devalue membership for existing FHLBank members. These changes will be especially burdensome to small and medium sized members.

Accordingly, we urge that the FHFA withdraw the membership ANPR. I appreciate the opportunity to comment.

Sincerely,

A handwritten signature in blue ink that reads "Gary Easterling".

Gary L. Easterling
President/CEO

cc: Jim Eibel, Federal Home Loan Bank of Indianapolis