



June 16, 2009

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590—AA18
Federal Housing Finance Agency, Fourth Floor
1700 G Street, NW
Washington DC 20552

RE: CDFI Bank Holding Companies

Dear Mr. Pollard:

The proposed rules issued on May 15, 2009 seek specific comments about CDFIs that are also bank holding companies. Our nonprofit company, Midwest Minnesota Community Development Corporation (MMCDC), is both a CDFI and a bank holding company.

In 2001 we purchased a controlling interest in a reservation-based bank in Northwest Minnesota. With control of the bank we were deemed by the Office of Thrift Supervision (OTS) to be an 'upper-tier' bank holding company. As such we are subject to periodic regulatory review by the OTS.

The bank we control, Community Development Bank, fsb, is a member of the Federal Home Loan Bank of Des Moines. MMCDC is not a member, although an attempt has been previously made.

We believe that extending the opportunity for membership to CDFI holding companies would be advantageous to our company. Because of our controlling interest there are strict limitations governing any transaction between the bank and MMCDC. The bank's membership in the FHLB system provides important benefits to the bank, but such benefits cannot extend to its parent company.

Under the proposed rule for CDFI membership there is a strong likelihood of MMCDC becoming a FHLB member. The resultant access to low cost, long-term capital would be advantageous to MMCDC, to the FHLB and to the markets we serve.

Excluding an upper-tier holding company that is a CDFI would be disadvantageous to us and likely others for no readily apparent reason.

Sincerely,



Arlen Kangas, Ph.D.
President