



November 30, 2009

Alfred M. Pollard, Esq.
General Counsel
Attention Comments/RIN 2590-AA31
Federal Housing Finance Agency
1700 G Street NW
Washington, DC 20552
Submitted to RegComments@fhfa.gov

Re: RIN 2590-AA31

Dear Mr. Pollard:

Pursuant to the Proposed Rule for the Federal Home Loan Bank Directors' Compensation and Expenses published on October 23, 2009, the Corporation for Enterprise Development (CFED) submits the following comments.

CFED appreciates the Federal Housing Finance Agency's (the Agency) quick publication of the proposed rule that would implement the Housing and Economic Recovery Act of 2008.

We commend the considerable, thoughtful and insightful work of the Agency staff to develop this proposed rule and hope that our insight proves valuable in the formulation of the Final Rule.

CFED is a national nonpartisan, nonprofit organization dedicated to expanding economic opportunity to include all people. We believe such economic opportunity will bring greater social equity, alleviate poverty and lead to a more sustainable economy. As a leader in economic development for nearly three decades, CFED collaborates with diverse partners at the national, regional, state and local levels. We bring together community practice, public policy and private markets in new and effective ways. We support expanded mission investment by the Federal Home Loan Bank system. We know that a diverse board, with deep experience in community economic development, affordable

housing and asset building can expand economic opportunity low-income people and communities.

We support the following sections of the proposed rule:

1. **Inclusion of community development mission activities.** We applaud the Agency for noting that community development is a core mission activity of the Banks and referencing it frequently throughout the Rule.
2. **Requiring oversight of compensation set by the regulator.** We concur that the Agency must provide oversight for compensation for the directors. We support the requirement for greater transparency including annual reports to Congress detailing compensation and expenses provided to each director.
3. **Requiring each Bank to submit a written plan.** We support the requirement that each Bank submit a written plan governing its compensation policies. We also support the requirement that the Bank provide studies or other supporting materials relating to the setting of compensation policies.
4. **Require attendance to receive payment.** We concur with the regulator that directors who do not attend meetings should not receive compensation.

We have two recommendations.

First, we would like the regulator to make public the diversity of the board members. CFED has long asserted that the FHLBanks benefit from a diverse board. We would like to know how many women and men serve on each FHLBank board. We would also like to know how many African Americans, Asians, Latinos and Native Americans serve as board members in a given year. The report should also note the diversity data by type of director. For example, of all the women on the board, how many are member directors and how many are independent directors? This issue was included in the October 7, 2009 final rule: we reiterate our support for a strong diversity policy here.

Second, we expect no difference in compensation between member directors and independent directors. The Agency should take steps to ensure that independent directors are never less than 2/5 of the members of the board of

directors. As noted in the October 7, 2009 final rule, the Agency should ensure that the public interest directors are well qualified and have deep and relevant experience leading community development and/or affordable housing activities.

We appreciate the opportunity to comment on the proposed rule and look forward to being a resource for the Agency as you move forward with the drafting of a final rule.

Sincerely,

Carol E. Wayman

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Federal Policy Director

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