



February 13, 2007

Federal Housing Finance Board
1625 Eye Street NW
Washington, D.C. 20006
Attn: Public Comments

RE: Interim Final Rule: Federal Home Loan Bank Appointive Directors
(RIN Number 3069-AB-33/ Docket Number 2007-01)

To the Federal Housing Finance Board:

The Board of Directors of the Federal Home Loan Bank of New York ("FHLBNY") appreciates that the Federal Housing Finance Board ("FHFB") has, through the issuance of the above-referenced interim final rule, developed a process for selecting and appointing directors to the Federal Home Loan Banks ("FHLBanks") that establishes a role for the Boards of each of the FHLBanks. In response to the request contained in the preamble to the interim final rule for comments, the FHLBNY has one suggested change.

We note that the rule currently requires that each FHLBank's Board of Directors provide the FHFB with the names of nominees in an amount equal to two times the number of appointive directorships to be filled. We recommend that this aspect of the rule be changed so that the FHLBanks are required to submit names of nominees in an amount equal to the exact number of open appointive directorships. While it is understandable that the FHFB might want a "pool" of names to choose from, the FHLBNY would like to point out a downside to this.

As the FHFB will appreciate, finding well-qualified candidates for recommendation purposes is a task that is certainly achievable -- but it is not an easy one. There are a number of reasons for this, including the fact that the FHLBanks are not entities that could be fairly characterized as "well known". As such, the FHLBNY believes that the appointive director selection process should be one that is as attractive and welcoming as possible to potential applicants. In this regard, the FHLBNY is of the view that having a formal rule that specifically requires each FHLBank to send to the FHFB more recommendations than there are seats might have a chilling effect on persons who might otherwise be interested in serving on the Board. Revising the rule to require one recommendation per seat would help to reduce the possibility of disappointment as a reason for a potential candidate not to submit an application form and could in fact act to encourage qualified candidates to consider Board service. In addition, if disappointed candidates

discuss their experiences with others, word could spread and eventually lead to a result where, in addition to qualified persons being reluctant to submit applications, people will be reluctant to submit the names of qualified candidates. The proposed change is intended to prevent this from happening.

In addition, given that the Boards of the respective FHLBanks have been charged with determining that any individual whose name is included on the list submitted to the Finance Board is eligible and well-qualified for an appointive directorship, it would seem that there would be no need for "additional" names to be submitted as a routine matter. Of course, should the FHFB find that the qualifications of a particular candidate are lacking, a request for additional candidates can always be made.

In conclusion, the FHLB NY's Board supports the interim final regulation and believes that the proposed adjustment described above will only serve to enhance the process that has been developed.

If you have any questions please feel free to contact us.

Very truly yours,



George L. Engelle, Jr.
Chairman



David W. Lindstrom
Vice Chairman