



September 8, 2014

The Honorable Melvin L. Watt
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, D.C. 20024

RIN 2590-AA39

Dear Director Watt:

On September 2nd, the Federal Housing Finance Agency (FHFA) issued for notice and comment a proposed rule (the Proposal) that would make fundamental changes to the membership criteria of the Federal Home Loan Bank System (the System). The notice and comment period is scheduled to be open for 60 days. The Mortgage Bankers Association (MBA)¹ requests that FHFA extend the notice and comment period by an additional 60 days to allow stakeholders sufficient time to fully analyze and respond to the Proposal.

The System plays a critical role in providing liquidity to the housing finance system, and the Proposal raises significant business, legal and policy issues that must be reviewed carefully. For instance, the Proposal would impose regulatory limitations on the System's statutory eligibility criteria that would harm mortgage lenders and investors alike. Key changes include a limitation on the definition of "insurance company," the involuntary termination of existing members in good standing, and an on-going asset test requirement that will likely harm community banks and credit unions. MBA notes that an advance notice of proposed rulemaking issued in 2010 that addressed System eligibility issues was open for a 90-day comment period.

MBA appreciates FHFA's willingness to consider this extension of time, and we look forward to working with you in the future on this important issue. For more information, please contact Dan McPheeters at dmcpheters@mba.org.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.

Sincerely,

A handwritten signature in black ink, appearing to read "D.H. Stevens". The signature is fluid and cursive, with a prominent horizontal stroke at the end.

David H. Stevens
President and Chief Executive Officer