



September 8, 2014

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

**Re: FHFA Proposed Rule – Members of Federal Home Loan Banks, RIN 2590-AA39**

Dear Director Watt:

The Community Bankers Association of Illinois (CBAI), which proudly represents approximately 380 Illinois community banks, of which approximately 290 are FHLB members, will be commenting on the proposed revisions to the Federal Home Loan Bank membership eligibility requirements (“Proposed Rule” of “Rule”). Given the length, complexity and potential consequences of the 137 page Rule, the proposed 60 day comment period is insufficient.

After a cursory review of the Proposed Rule it is evident that if adopted it would have a profound impact on the FHLB System, FHLBanks and FHLB members including but not limited to: the stability of the System and its continued reliability as a funding partner particularly in times of economic crisis, uncertainty about continuing membership eligibility and member access to liquidity, the future value of FHLBank membership and the impact on membership decisions, the increased regulatory burden particularly on community banks, and the impact on housing and community development throughout the System.

Given the significant intended and unintended consequences of the Rule, we believe a thorough analysis and in-depth discussion with our members and executive staff is warranted. This cannot be accomplished within the proposed 60 day comment period, and therefore we respectfully request an extension of the comment period by at least 60 days.

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Thank you for considering this request. If you have any questions or need additional information please do not hesitate to contact me at (847) 909-8341 or [davids@cbai.com](mailto:davids@cbai.com) .

Sincerely,

/s/

David G. Schroeder  
Vice President Federal Governmental Relations

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