

Congress of the United States
Washington, DC 20515

October 10, 2014

The Honorable Mel Watt
Federal Housing Finance Agency
400 Seventh Street SW., Eighth Floor
Washington, D.C. 20024

ATTENTION: Public Comments/Proposed Collection; Comment Request: Federal Home Loan Bank Directors (No. 2014-N-11)

Dear Director Watt,

We applaud the Federal Housing Finance Agency for requesting comments clarifying its responsibilities for collecting and analyzing data regarding the expertise and experience of the directors of the Federal Home Loan Banks (FHLBanks). We have long been concerned about ensuring diverse and experienced corporate governance for the FHLBanks.

The collection of information about the elected and public interest directors is not only necessary for the proper performance of the FHLBanks, it is required by the Office of Minority and Women requirements instituted by the Dodd Frank Wall Street Reform and Consumer Protection Act. The availability of information on experience, financial assets and other requirements is necessary to ensure that board members are experienced in matters relating to finance and capable of managing staff and serving the members and the communities served by the individual FHLBank. In addition, it is imperative that every director is committed to the mission of the FHLBank System – providing investment in affordable housing and community economic development. Question 2 G should be rewritten to state “housing finance [and community economic development] activities of its members.” In recent decades, Congress has consistently defined the FHLBank mission as serving both housing and community economic development needs of people and their communities.

It is especially important that FHFA adds more information to the form. Specifically, gender, ethnicity, race and geography should be clearly identified. The Directors of the FHLBank must be diverse and include representation for communities of color, rural areas, and smaller states. In addition, the role of a public interest/community interest director that served in a leadership role in a mission-driven organization must be clarified. Were they the CEO, another employee, or a board member? In its analysis, the FHFA should report the various leadership positions for each FHLBank; who serves as Chair and Committee chairs -- elected or public interest directors?

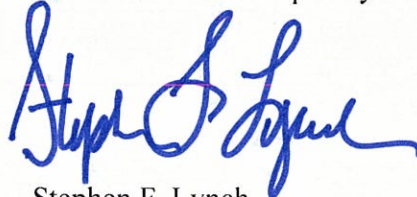
The FHFA time estimate is too high. We would estimate it as a third of that amount at most. It is doubtful that each of the questions will take fifteen minutes to answer. Most people who would serve at this level most likely have served on other boards and/or had to register with other regulatory bodies. In addition, they would need to provide these details to be considered for the position in the first place. It is unlikely they would be answering each of these questions for the first time. Many of their responses would be easily accessible through other disclosure documents they have already filed. We recommend that the FHFA seek electronic means of implementing the data. For those directors who already serve as leaders at financial institutions, perhaps the Internet interface can replicate the materials they are already provided so it is easy to cut and paste responses.

Thank you for your commitment to taking the responsibilities for qualified leadership at the FHLBanks seriously. We are glad to see this request for comment and hope the FHFA can implement a standard application and certification format across all the Banks quickly.

Sincerely,



Keith Ellison
Member of Congress



Stephen F. Lynch
Member of Congress