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October 31, 2014

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA37
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, DC 20024

Re: Notice of Proposed Rulemaking and Request for Comments – Members of
Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

On behalf of Pioneer West Virginia Federal Credit Union, I am writing to express my thoughts and concerns about the notice of proposed rulemaking referenced above.

While we appreciate and support the desire to provide for a strong Federal Home Loan Bank System that supports housing, we believe the **proposal may actually undermine the overarching goal by triggering a number of unintended consequences.**

For context, allow me to share a very personalized frame of reference from us, a small (\$189 million assets) community based lender in West Virginia.

First and foremost, I recently told our FHLB field representative that one of the single best decisions I've made during my four years of employment here at Pioneer West Virginia Federal Credit Union was to affiliate with the FHLB-Pittsburgh.

During those four years, our loan to share ratio has risen from about 62% to 98% as of this morning.

In specific reference to real estate, **our home mortgage portfolio has more than doubled, from \$32.7 million to \$71.9 million**, in outstanding balances for the four year period ending September 30, 2014.

Mortgage products currently account for 48% of our \$151 million loan portfolio.

In the absence of reasonably priced funding provided by the FHLB we would have been forced to significantly scale back on lending and would have a weaker liquidity profile than we do because of the synergistic relationship with the FHLB.

While I'm not particularly concerned about the ability of my institution to meet the ongoing requirements for FHLB affiliation, I nonetheless fear the proposal, in its current form, could have the potential to eliminate enough other lenders to adversely affect consumer access to affordable mortgage loans throughout the broader economy.

We believe the FHLB would benefit in terms of financial performance and governance from maintaining a larger number of diverse members.

If anything, the thrust of public policy decision making should be to be more inclusive in having the option of partnering with the FHLB.

Based on our belief that the proposals could harm FHLB members and generally weaken a System that has worked well for more than 80 years, we ask that the FHFA completely withdraw, or at least seriously reconsider, the September 12, 2014 Notice of Proposed Rulemaking.

Thank you for your time and favorable consideration.

We have no doubt that several thousand financial institutions like ours, and the millions of consumers we serve, will benefit by the withdrawal of this proposal.

Respectfully,


Dan McGowan
President & CEO