



October 28, 214

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA39  
Federal Housing Finance Agency  
400 Seventh Street SW  
Washington, D.C. 20024

Re: Notice of Proposed Rulemaking and Request for Comments – Members of the FHLBanks (RIN 2590-AA39)

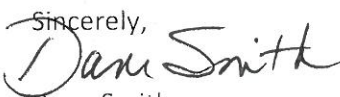
Dear Mr. Pollard:

First Tennessee Bank, N.A. is a member of FHLB Cincinnati. We wish to submit our comments concerning the notice of proposed rulemaking regarding membership eligibility in Federal Home Loan Bank (FHLBanks) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and what we believe to be unnecessary changes to long-standing membership rules for the FHLBank system.

Today, we would meet the proposed rule requirements. Although, the proposed regulation on FHLB membership creates concerns for our bank and establishes a problematic precedent. There remains a distinct chance that at some point in the future, through further regulatory changes, our institution could fail the test. Our bank should be free to manage the balance sheet in light of what's best for our customers, employees, communities, and shareholders. The on-going mortgage asset test requirements will artificially distort balance sheet management practices, decreasing the flexibility to manage our balance sheet in response to changing market conditions.

Access to FHLBank advances is important to our bank. Additionally, having a credit line and borrowing capacity with FHLB Cincinnati promotes the safe and sound management of our institution. FHLB Cincinnati and the 11 other FHLBanks are operating well within the authorities granted them by Congress. The membership requirements being contemplated by FHFA would change long-standing requirements that have worked well, and the proposed rule would ignore the collateral expansions approved by Congress over time.

For these reasons, First Tennessee Bank, N.A. opposes this proposed rule and strongly recommends you rescind the proposed rule. Thank you for taking our comments into consideration.

Sincerely,  
  
Dane Smith  
Treasurer - SVP

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