



HOMETOWN BANK OF PENNSYLVANIA

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November 7, 2014

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, D.C. 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 Hometown Bank of Pennsylvania, I am writing to express my concerns about the notice of proposed rulemaking. While we appreciate your apparent desire to provide for a strong Federal Home Loan Bank System that supports housing, we believe the rule undermines the goal of the proposal.

My regulator requires a reliable source of contingent liquidity. For us, this has always been my Federal Home Loan Bank. With this rule, I'm concerned my regulator will not consider the FHLBanks reliable and may require another, more expensive, liquidity source.

As I manage my institution, I manage interest rate risk, credit risk and liquidity risk. I also strive to serve the credit needs of my community. This regulation could put me in a situation where I may not be able to support growing business loan demand because my institution might get too close to the CFI threshold.

Based on our belief that the proposals could harm Federal Home Loan Bank members and generally weaken a System that has worked well for more than 80 years, we ask that the FHFA reconsider the September 12, 2014 Notice of Proposed Rulemaking.

Sincerely,

Ted J. Chwatek
President and CEO

