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November 11, 2014

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
FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing to express serious concerns with the Federal Housing Finance Agency's (FHFA's) notice of proposed rulemaking impacting FHLBank membership.

FHFA is considering requiring FHLBank members to maintain a demonstrable involvement in residential mortgage lending on an ongoing basis, rather than only when they join. Noncompliant insurance companies could have their membership terminated. Further, we do not support the adverse impact the proposed rule would have on other financial institutions in our region. Nor do we support the notion of state-regulated insurance companies managing their balance sheets to the demands of a distant federal regulator.

The suggested changes to FHLBank membership requirements could significantly restrict insurance company membership in the FHLBank System. Additionally, the proposed rule would contravene decades of established law and Congressional intent. The intent of Congress with respect to insurance company membership in the FHLBank System has been clear since 1932 – insurance companies have been statutorily allowed members of the FHLBank system since their inception. At no time since then, in spite of numerous opportunities to amend the FHLBank Act, has Congress decided to restrict insurance company membership in the FHLBanks.

Imposing unnecessary limits on insurance company membership in the FHLBanks could have a harmful impact on insurance companies' access to a highly reliable liquidity source. It is my opinion that FHFA should leave decisions related to FHLBank membership to Congress – and Congress alone. Accordingly, I urge FHFA to immediately rescind its proposed rule. I appreciate the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas E. Henning', is written over the word 'Sincerely,'.

Thomas E. Henning, CLU, ChFC, CFA
Chairman, President, CEO