

November 7, 2014

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

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

Dear Mr. Pollard:

Thank you for the opportunity to comment on FHFA's proposal to change the requirements for membership in the FHLB. Genisys Credit Union has been a member of the FHLBI for many years and has greatly benefited from the correspondent services they provide. Upon review of the proposed membership requirements we are concerned that the end result would weaken the integrity of the FHLB Regional system, while creating safety and soundness issues for those institutions that would be forced to forfeit their membership.

In the advent of the financial crisis of 2008 the FHLB has become for many institutions a major source of liquidity to fund daily operations and manage interest rate risk not only for real estate loans, but for other member loan programs. We believe that managing interest rate risk and liquidity is the responsibility of the financial institution and should not be restricted by unnecessary regulatory oversight.

We are also concerned with the proposed rule's unequal treatment of credit unions. All credit unions would be required to maintain at least 10 percent of their total assets in residential mortgage loans, and only banks with assets above \$1.108 billion would be subject to the same on-going requirement.

This proposal will restrict and narrow FHLB membership, shrinking the asset base of the FHLBs resulting in reduced profit margins, lower retained earnings, and ultimately a decline in the market value of their equity and capital stock.

As such we strongly recommend that the FHFA resend this proposed rule.

Sincerely,
Gerald Strausbaugh, SVP CFO


Genisys Credit Union