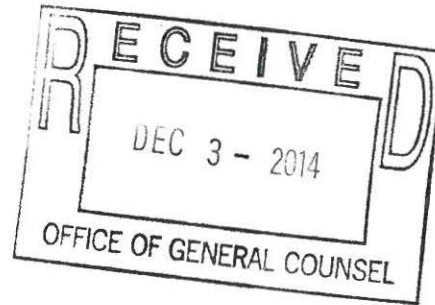


11-25-14

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing finance Agency – Eighth Floor
400 Southwest Street SW
Washington, DC 20024



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

Dear Mr. Pollard

The Federal Housing Finance Agency has requested comments on a notice of proposed rulemaking on Federal Home Loan Bank membership requirements. I appreciate the opportunity to submit this comment on the proposed rule.

I am writing to you today as a member of the management team of Central Minnesota Credit Union (CMCU), a state chartered, federally insured credit union serving over 55 thousand members in 18 primarily rural counties located in Minnesota and North Dakota. I am concerned that the proposal if enacted as written has the potential to result in CMCU losing its membership in the Federal Home Loan Bank of Des Moines Iowa, having a significant negative impact on our ability to serve CMCU's members. Additionally I am asking for a change in the definition of a Community Financial Institution.

A specific area of concern in the proposal is the requirement to maintain at least 10% of assets in residential mortgage loans. In managing our balance sheet a primary concern is the needs of our membership. As a community credit union in predominantly rural areas of MN and ND we have a loan portfolio that contains significant levels of Agricultural and Commercial loans. Having a mandatory minimum of 10% in residential mortgage loans has the potential to negatively impact our ability to meet the needs of our membership by arbitrarily shifting an emphasis from "what do our members need", to "what do the regulations require us to do". Another aspect of difficulty with the 10% limit involves the types of loans our member's request. Member's desire long term fixed rate loans. In meeting those needs we assist in the origination of those types of loans, which are then sold to the secondary market in order to limit our interest rate risk. We meet the member's needs, but the majority of loans written do not reside in our portfolio. One final aspect of the portfolio limit is that the housing needs of our agricultural borrowers are met when they purchase a farm and their primary residence is a part of the farm. These loans do not qualify as a component of the 10% limit, yet we are still meeting the members housing needs. I ask that the 10% minimum be eliminated.

My second request is in regards to the definition of a Community Financial Institution in 1263.1 of CFR12, which states: Community financial institution or CFI means an institution:

- (1) The deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

Administration Center
20 4th Avenue SE
PO Box 10
Melrose, MN 56352
320.256.3669

The verbiage I believe unintentionally excludes credit unions as they are not insured under the Federal Deposit Insurance Act. I ask that the definition of Community Financial Institution be expanded to include those institutions whose deposits are insured by the National Credit Union Share Insurance Fund.

Thanks you for the opportunity to submit comments. Please contact me with any questions or if my comments/requests require further clarification.

Sincerely

A handwritten signature in blue ink, appearing to read "Bernard N. Brixius", with a long, sweeping horizontal stroke extending to the right.

Bernard N. Brixius