



WASHINGTON  
BANKERS ASSOCIATION

December 5, 2014

Alfred Pollard, Esq.  
General Counsel  
Federal Housing Finance Agency  
400 Seventh Street, S.W.  
Washington, DC 20024

Re: RIN 2590-AA39 – Notice of Proposed Rulemaking – Members of FHLB Banks

Dear Mr. Pollard,

Thank you for allowing comments on the Proposed Rulemaking regarding membership of FHLB Banks. After reviewing the proposal, on behalf of the Washington Bankers Association and its member banks, we ask you to rescind the rulemaking as the current membership rules for the FHLB continue to work to the benefit of the FHLB and the member banks.

The Washington Bankers Association (WBA), since 1889 has represented member bankers in Washington State in matters such as set forth in RIN2590-AA39. WBA member banks represent 95% of all in-state deposits that include banks of all sizes and all geographic areas throughout Washington State.

The FHLB Banks throughout the country provide a very important service to all banks, but particularly community based banks that have limited options for liquidity and bank services. Although the membership proposal may not have an immediate impact on FHLB member banks we believe that the longer-term impact on financial institutions, their customers and communities would be detrimental. In addition to restricted access to liquidity we anticipate potential restrictions for funding housing and economic development.

Moreover, the impact of this proposed membership rule may unnecessarily remove current FHLB members in good standing from FHLB membership and potentially reduce the strength and reliability of the FHLB cooperative our banking system has come to rely upon. Moreover, adding additional and conflicting regulatory requirements on an already over-burdened regulatory environment on member banks would not appear to be prudent.

The FHLBank system has continued to operate safely and soundly since 1989 and provide the necessary banking services for our industry to serve their communities in addition to supporting the FHLBanks' housing finance mission. For these reasons we believe the proposed membership rule is not necessary and request you to withdraw this proposal.

We appreciate the opportunity to comment on this issue. I make myself available for further discussion.

Sincerely,

James M. Pishue  
President and CEO