



DATE: December 16, 2014

Alfred M. Pollard, 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 Rulemaking and Request for Comments – Members of Federal Home Loan Banks (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. We appreciate the opportunity to submit this comment on the proposed rule.

We are particularly concerned about the disparate treatment credit unions would be subject to under the NPR's provisions compared with similar sized depository institutions. Specifically, community financial institutions would be exempt from the proposed requirement to hold 10 percent of assets in residential mortgage loans, resulting in a much larger regulatory burden and unequal playing field for credit union members.

While Bridgewater Credit Union is well positioned to meet the proposed requirements, the FHLBanks' cooperative structure depends on a diverse membership. That membership has increased nationally, with 19 percent of all credit unions members of FHLBanks compared with just over 11 percent in 2007. Efforts to raise eligibility requirements would only slow or reverse this trend and detract from the cooperative nature of the FHLBanks.

In addition to supplying an array of products to meet our liquidity needs, the FHLBanks are an important source of funding for low- and moderate-income housing. Through the Affordable Housing Program, FHLB Boston members have been awarded more than \$420 million in subsidies and subsidized advances to create or preserve more than 25,000 affordable rental and ownership units throughout New England. The proposed rule would impact FHLB Boston's ability to grow and even maintain existing levels of advances, thereby leading to reduced funding of the AHP and fewer safe, decent, and affordable housing options for New Englanders.

Finally, I wish to emphasize how important reliable access to FHLB Boston is to our institution. Any element of uncertainty or further restrictions on member eligibility would have a negative impact on the stability and access to liquidity on which we depend. For these reasons, we request that the proposed rule be withdrawn.

Sincerely, Dennis J. Kenney, SVP/Treasurer