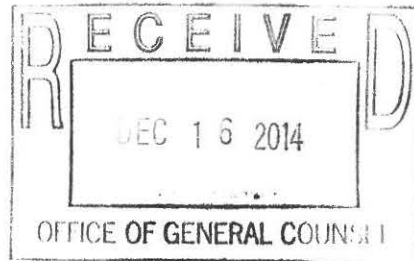


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December 6, 2014

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

Re: Notice of Rulemaking and Request for Comments – Members of Federal Home Loan Banks
(RIN 2590-AA39)

Dear Mr. Pollard,

Please accept this comment letter on the proposed rule referenced above related to membership in the Federal Home Loan Banks. As a former board member of the FHLB Atlanta for ten years, and its chair for five years beginning in 2007, I am keenly aware of the significant role that the FHLB system played for our members during the recent economic crisis. The agency should tread carefully as they propose rules that restrict, rather than expand, access to the reliable and affordable liquidity provided by our Federal Home Loan Banks.

As you are well aware, the system was created by an act of Congress in 1932, and was intentionally focused exclusively on housing. Since that time, Congress saw fit to expand access to the system by expanding membership to include commercial banks, credit unions, and insurance companies. It was this expanded membership base who, thanks to access to the FHLBs, was able to continue to provide funding to homeowners and small businesses in their communities during the crisis. In some cases, the members would not have survived but for the liquidity provided through access to the system.

We oppose the proposed rule. The proposed rules appear to be usurping Congressional authority by imposing restrictions on membership more stringent than that approved by law, rather than simply addressing a perceived, but undocumented, safety and soundness issue. In addition, the rule increases requirements for existing and prospective members, adding to the already bureaucratic and burdensome regulations we contend with every day. Our goal is to serve our customers and communities, and unnecessary compliance costs make this more difficult. Why must we pile on additional requirements and burdens when each member already demonstrates their commitment to housing each time they borrow money through an advance? The collateral we provide must meet the eligibility requirements established by law and the agency, nearly all of which are related to housing. In addition, as a member, First Bank must certify our support of housing for first-time homebuyers to the FHFA every two years through a Community Support Statement. We are also concerned that the system would lose existing insurance company members and find it more difficult to acquire new members to join under the proposed rule.

Alfred M. Pollard, Esq., General Counsel
December 6, 2014
Page 2 of 2

During the recent economic crisis, the Federal Home Loan Bank System delivered record levels of liquidity to members across the country at a time when liquidity was costly, precious and not readily available. While other GSEs were floundering and going into receivership, the FHLB system, with its cooperative structure and member driven focus, was able to survive without any government bailout and stands today as a model for government-backed enterprises. Now is not the time to put restrictions on the membership that may threaten this very important system and that may ultimately threatened our communities for lack of access to this important funding resource. The system is not broken. Please do not try to fix it with this unnecessary proposed rule.

Thank you for considering these comments against approval of the proposed rule.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke that ends in a small circle.

Scott C. Harvard
President and Chief Executive Officer

SCH/kms