



CONNECTICUT BANKERS ASSOCIATION

Lindsey R. Pinkham
President & CEO

December 18, 2014

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

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

Dear Mr. Pollard:

On behalf of the Connecticut Bankers Association and our forty-nine member banks, of which the vast majority are members of the Federal Home Loan Bank of Boston, we appreciate the opportunity to submit this comment on the Agency's proposed rule.

Ongoing compliance with the proposed membership requirements would impose additional regulatory burdens on FHLBank members and add uncertainty to FHLBank membership. Our member institutions, mostly community banks, would be required to manage their balance sheets to have ample assets that satisfy the proposed requirements to ensure access to FHLBank funding. The proposal would add another layer of regulation to our members on top of an ever-increasing regulatory burden created by the passage of the Dodd-Frank Act and the subsequent creation of the Consumer Financial Protection Bureau.

Although the majority of our institutions are well-positioned to meet the requirements as outlined, the FHLBanks' cooperative structure works because of its diverse membership. Limiting that membership as proposed would only weaken that structure and undercut FHLB Boston's ability to reliably and safely serve its membership.

The proposed changes also seem to be inconsistent with the Federal Home Loan Bank Act and past Congressional actions. Historically, Congress has broadened, not tightened, the field of FHLBank membership along with the types of acceptable collateral for FHLBank funding. Further, in recent discussions on housing finance reform, expansion of the role of FHLBanks and access to their liquidity has found consistent support among lawmakers. The current rules work

well, and if changes are needed, Congress should act before sweeping new requirements are imposed on the FHLBanks.

Finally, we cannot stress enough how important reliable access to FHLB Boston is to our institutions and the communities they serve. The changes as proposed would undermine their ability to maintain access to liquidity and serve the housing and community development needs of their state. For these reasons, we request that the proposed rule be withdrawn.

Thank you for the opportunity to submit a comment.

Sincerely,

Lindsey R. Pinkham
President & CEO