



December 19, 2014

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

Dear Mr. Pollard,

I am writing this letter to express my strong opposition to the proposed FHLBank Membership change being considered by your agency.

My rural bank relies on the Federal Home Loan Bank of Cincinnati as a stable source of liquidity. The proposed Membership change has the potential to terminate my membership should our percent of mortgage assets fall below 1% thus removing this source of liquidity.

Membership termination is too harsh a penalty for non-compliance especially when the collateral requirements are already in place to ensure secured lending and demonstrate a connection to housing finance.

Congress has historically acted to expand FHLBank membership. Why is FHFA acting to restrict and possibly terminate the benefits to community banks that are the lifeblood of our rural communities? It appears that the FHFA is exceeding its authority imposing rules that conflict with Congress. In fact, Congress has historically determined which entities may or may not join the FHLBank. Since its creation in 1932 the FHLBank system has operated in a safe and successful manner and has never experienced a credit loss from an advance.

Through the Affordable Housing Program, our membership at FHLBank of Cincinnati has facilitated our bank to partner with local non-profit housing entities to create 228 units of safe, decent, affordable housing. Without the AHP grants totaling nearly \$2.4 million dollars, this housing would not have been possible. However, the proposed membership regulation does not account for our strong commitment to affordable housing that has been possible with FHLBank.

With this letter I respectfully request that FHFA withdraw the proposed FHLBank Membership rule.

Sincerely,

A handwritten signature in blue ink that reads "Gordon Kidd".

Gordon Kidd
CEO

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