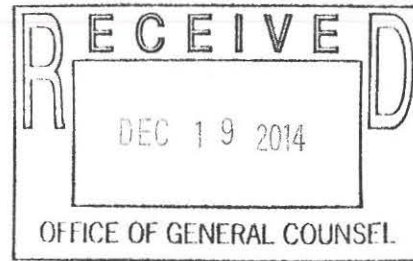




CREDIT UNION

Here you belong.®

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



Re: Notice of Proposed Rulemaking and Request for Comments- Members of the FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing to express my concerns about the notice of proposed rulemaking regarding membership eligibility in Federal Home Loan Bank (FHLB) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and unnecessary changes to long-standing membership rules for the FHLBank system. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). For these reasons Neighbors Credit Union opposes this proposed rule.

I am John Servos, President/CEO of Neighbors Credit Union. Our credit union provides consumer and mortgage lending services to 42,075 members across all of our servicing areas. Assets total \$309 million, with 8 branches, and 130 full time-time employees. Neighbors Credit Union has been a FHLB member since 1995 and has utilized borrowing options to fund mortgage and commercial lending activity. Access to FHLB membership allows us to better manage interest rate risk inherent in long-term fixed rate mortgage lending.

Neighbors Credit Union is also concerned that the proposed rule holds credit unions to a higher standard than banks of similar size since the Federal Home Loan Act exempts community financial institutions from the 10% test. We advocate all financial institutions should stand on equal footing with banks in this regard. Without access to FHLB, credit in our local community could be unnecessarily impacted. Membership in the FHLB encourages home ownership by making available to credit unions affordable funding options for long-term mortgage lending.

Your agency's proposed rules could fundamentally change how, or even whether, a depository financial institution such as ours could remain a member of a FHLB Des Moines. This is enormously disturbing. We need to know that the FHLB Des Moines can provide funding on a moment's notice as it did in the recent financial crisis.

Because the proposals would harm FHLBank members and hurt housing, credit and economic growth, we ask that the FHFA withdraw the new membership rules contained in its September 12, 2014 Notice of Proposed Rulemaking and work with FHLB members to preserve the FHLBs as a reliable partner of its members that benefits local lending institutions, communities, housing, homeownership and the nation's economy. Thank you for taking our comments into consideration.

Sincerely,

John Servos
President/CEO
Neighbors Credit Union