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DEC 18 2014
OFFICE OF GENERAL COUNSEL

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 (FHLBanks) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes potentially harmful changes to the membership rules for the Federal Home Loan Bank system that appear unnecessary. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). West Community Credit Union opposes this proposed rule.

As the Chief Financial Officer of West Community Credit Union, I have personally experienced the value of the FHLB system provided to our members and community. We are a community-based lender, providing consumer, mortgage and commercial loans. We have been able to make low rate loans in low-income communities by leveraging special funding programs available only through the FHLB. This has directly led to positive impact in our communities. West Community has $160 million in assets and roughly 20,000 members in both St. Louis and Columbia, Missouri, so any negative impact to the FHLB system would impact a large number of people in our community.

While the proposed rules would not impact West Community today, there are other regulatory changes taking place through the National Credit Union Administration (NCUA) that could impact how we allocate loans on our balance sheet, potentially threatening our ability in the future to remain an FHLB member under the proposed rules. We should not be subjected to a rule that places us in a position to incur unnecessary risks or poor short-term decision making that could result when trying to satisfy both regulators. There is no reason to put credit unions in this position.

We believe the rule to maintain 10% of total assets in "residential mortgage loans" on an ongoing basis is a "one-size fits all" rule and inappropriate in a changing and dynamic industry environment. The FHLB system can manage the changing needs of its members' balance sheets in a safe and sound manner without this rule change. We also believe the rule places credit unions on an uneven playing field with other community depository institutions not subject to this rule.

Your agency's proposed rules could change our ability in the future to be a member of the FHLB-Des Moines. We have relied upon the security they provide as a wholesale funding source when financial crisis occurs, such as in 2008. This is very important to our ability to assure our members that we are a safe and sound institution. We highly encourage you to reconsider making changes that could threaten this relationship.

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.

West Community Credit Union strongly recommends that you withdraw the proposed rule. Thanks for taking our comments into consideration.

Sincerely,

Jason Peach
Senior Vice President/ CFO
West Community Credit Union