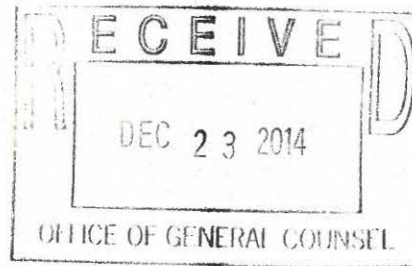


CBA

COMMUNITY BANKERS
ASSOCIATION OF GEORGIA

1900 The Exchange, Suite 600
Atlanta, GA 30339-2022
770.541.4490 | Fax 770.541.4496
www.cbaofga.com | rob@cbaofga.com

Rob Braswell, President & CEO



November 4, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency – Fourth Floor
1700 G Street, NW
Washington, D.C. 20552

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

Dear Mr. Pollard:

We appreciate the opportunity to comment on the Federal Housing Finance Agency's proposed rule RIN 2590-AA39 Members of the Federal Home Loan Banks. As a trade association that has represented community banks since 1969, we appreciate your desire to ensure the FHLBanks remain focused on the housing portion of their mission. However, we believe the proposed rule will actually inhibit the FHLBanks' ability to execute their mission and ultimately will reduce liquidity, tighten credit, and restrict the flow of funds for housing and economic development.

We are concerned that the proposed rule would significantly increase FHLBank membership requirements for existing and prospective members and reduce the availability and reliability of liquidity on which our members depend. The proposed rule would make it more difficult for community financial institutions of all sizes to deliver important credit to their communities.

Additionally, it is felt the proposed new test to maintain FHLBank membership is unnecessary. It effectively narrows the mission of the FHLBanks, and does not properly measure a financial institution's role in providing housing opportunity. Community institutions of all sizes contribute significantly to housing. These contributions include holding real estate assets on balance sheets; and originating and selling to the secondary market. Additionally, financial institutions play a key role in extending credit for community development, small businesses, student loans, and other activities that help provide the foundation for homeownership and rental opportunities.

While most FHLBank members meet the proposed 10% asset test on an ongoing basis and the proposed 1% (or 2-5%) ongoing long-term mortgage test, the tests will not provide financial institutions with the flexibility necessary to manage their balance sheets based on market conditions, which was of utmost importance during the recent financial crisis. The tests are particularly vexing, given that well over 90% of the collateral that supports FHLBank member access to advances is residential mortgage-related assets.

We are community banking.

Mr. Alfred M. Pollard

November 4, 2014

Page 2

Imposing this mandate with a threat of losing FHLBank membership raises concerns about the reliability of continued access to affordable FHLBank funding, which is vital to meeting our communities' financial needs. Penalizing a financial institution with lost membership or reduced access to FHLBank funding would only serve to reduce that institution's ability and role in the provision of housing opportunity.

Our banks' membership in FHLBank Atlanta and the reliable access to liquidity it provides has been very important to our institutions. Furthermore, FHLBank Atlanta's reliable funding to all of its members in the district has had a positive effect on the recovery of local housing markets and economies.

The proposed rule would result in a fundamental change to an FHLBank system that has and continues to work well. It will constrain the FHLBanks' ability to serve their members and the communities these members serve, terminate memberships or increase the costs on current members in good standing, and ultimately reduce the funding and value of the Affordable Housing Program.

For these reasons, we request that the proposed rule be withdrawn . Thank you for the opportunity to submit a comment.

Sincerely,



Rob Braswell
President & CEO