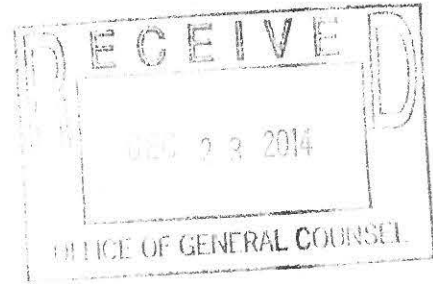




December 3, 2014



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:

Thank you for the opportunity to comment on the Federal Housing Finance Agency’s proposed rule RIN 2590-AA39. Our bank is a member of FHLBank Atlanta and relies on the relationship to provide a valuable source of liquidity. 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.

More specifically, we are concerned that our business model might preclude participation in the many benefits offered by FHLBank membership under the proposed rules. As a small community bank, we are reluctant to keep long-term mortgage assets on our balance sheet for a variety of reasons and, therefore, may fail to meet the tests stipulated in the proposed rule. In addition, we believe compliance with the rule would significantly impair our ability to appropriately manage asset-liability risk on our balance sheet in the midst of changing market conditions. Even though we may not hold long-term mortgage assets on our balance sheet at the level proscribed in the rule, we actively engage in providing mortgage lending services to our customers. We also believe the proposed rule would add to the regulatory burden for small community banks. An additional level of regulatory oversight would be introduced that would increase an already disproportionate cost of compliance.



[carolinaalliancebank.com](http://carolinaalliancebank.com)



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115 Broadbent Way, Unit 8  
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(Loan Production Office)  
122 Cherokee Rd., Suite 4  
Charlotte, NC 28207  
980-321-5946

Hendersonville, NC  
218 N. Main Street  
Hendersonville, NC 28792  
828-233-0900

Seneca, SC  
135 Eagles Nest Drive,  
Suite K  
Seneca, SC 29678  
864-904-9993

We encourage you to consider the implications of the proposed rule on small community bank's opportunity for membership in FHLBanks. And, we request that the proposed rule be withdrawn and that the FFHA instead engage in a series of public hearings, workshops, and roundtables to solicit a variety of viewpoints from diverse stakeholders that may be impacted by this wide-ranging proposal. Thank you for the opportunity to submit a comment.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Kimberly", written over the printed name and title.

John D. Kimberly  
President