



December 23, 2014

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

RE: RIN 2590-AA39.  
Notice of Proposed Rulemaking and Request for Comments, Members of Federal Home Loan Banks.

Dear Mr. Pollard:

As a member of the FHLBank of Cincinnati, I am writing to express my opposition to the Federal Housing Finance Agency's (FHFA) proposed membership rule. Corporate One Federal Credit Union with assets of approximately \$3.5 billion, is subject to the most stringent mortgage-to-assets ratio test of 10 percent, as well as the broader one percent ratio test, as proposed in this rule.

The ongoing asset tests fail to recognize the many ways in which natural person credit unions and Corporate One Federal Credit Union support housing finance, including pledging mission-assets to borrow advances, originating or selling mortgages into the secondary market, and investing in affordable housing and community development through the FHLBank's congressionally established Affordable Housing Program or other targeted community development programs.

Corporate One relies upon the FHLBank for access to liquidity, balance sheet management and general funding to better serve our credit union members. If the rule were enacted as proposed, our corporate credit union would not pass the 10 percent ratio requirement. Membership termination is too harsh a penalty for non-compliance especially when collateral requirements are already in place to ensure secured lending and a connection to housing finance.

Our institution provides indirect and direct mortgage funding to the credit union network by extending lines of credit to member credit unions as well as warehouse funding lines to credit union service organizations (CUSOs) that is 100% collateralized by residential mortgage loans. Importantly, the warehouse lines of credit is a good example of an asset that Corporate One owns that is directly related to conforming residential mortgage loans that is not permitted as acceptable FHLB collateral and is not currently counted in the 10% mortgage-to-asset ratio, since it is commingled on the call report with all the lines of credit extended to credit unions.

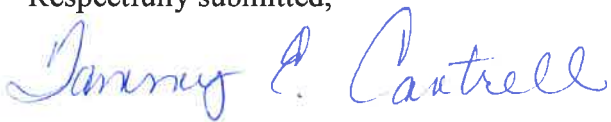
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In 1989 Congress acted to include commercial banks and credit unions as members of the FHLBanks. For nearly 25 years, credit unions have been able to access reliable, low cost FHLBank funds helping to reduce lending costs for our members. This rule runs counter to congressional intent regarding equal access to FHLBank programs to serve credit unions' cooperative membership whether through home ownership, small business loans, affordable auto loans or other credit needs.

The proposed rule appears to undercut FHLBank membership and congressional intent without identifying a safety and soundness concern. I respectfully request that the FHFA reconsider or withdraw the proposed rule.

Respectfully submitted,



Tammy E. Cantrell  
Executive Vice President of ALM  
Corporate One Federal Credit Union