



December 22, 2014

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

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

Dear Mr. Pollard:

Thank you for the opportunity to submit comments on the notice of proposed rulemaking (“NPR”) in which the Federal Housing Finance Agency (“FHFA”) has expressed its desire to revise its regulations governing Federal Home Loan Bank membership. As a member of the Federal Home Loan Bank of New York (“FHLBNY”), this proposal has the potential to significantly impact our business. The proposed regulation threatens both the strength and the value of the partnership between the Federal Home Loan Banks and their members.

The true value of Federal Home Loan Bank membership is reliability – we, as members, know that we will always have access to funding so long as we have eligible assets to back our borrowings. This was true during the financial crisis, when the 12 Federal Home Loan Banks were a critical source of liquidity for the nation’s financial institutions. This is true today, as our economy continues to slowly recover and local lenders need access to the global markets to procure the funding their communities need. And it has been true in every economic cycle for more than 80 years, over which time the Federal Home Loan Banks have repeatedly proven themselves to be a reliable funding partner for their members.

However, the NPR – in creating ongoing requirements for a financial institution to remain a member of a Federal Home Loan Bank – introduces an element of uncertainty into this reliability, thereby diminishing the value of Federal Home Loan Bank membership. Further, this proposed rule would reduce liquidity, tighten credit and reduce available private sector funding for affordable housing and community development.

At the end of the third quarter of 2014, the FHLBNY had \$99.5 billion in advances out to its members. Every dollar of this funding is vital to the communities we serve. And just as our communities rely on us to meet their needs, we rely on the FHLBNY to be there when we need it. This reliability cannot be jeopardized.

Accordingly, I respectfully request that the NPR be withdrawn, or, at the very least, that subsequent membership asset holding tests be eliminated from the rule.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gilles Gade".

Gilles Gade  
President & CEO  
Cross River Bank