



January 5, 2015

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:

We are writing to express our 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 significant and unnecessary changes to long-standing membership rules for the FHLBank system. In our opinion, the proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). For these reasons, TruStone Financial Federal Credit Union strongly opposes this proposed rule.

TruStone Financial provides residential mortgages, consumer loans, and commercial loans, among other services, to our membership. We manage nearly \$1 billion in assets and service an additional \$370 million in sold residential mortgages. We have 246 employees across 12 locations in Minnesota and Wisconsin.

TruStone Financial Federal Credit Union is particularly sensitive to the fact that credit unions are treated unequally in comparison to similarly sized banks because of a provision in the Federal Home Loan Bank Act which exempts community financial institutions (CFIs) from the 10% test. Clearly, federally insured credit unions stand on equal footing with banks in this regard. While we will continue to advocate for Congress to amend the Federal Home Loan Bank Act to ensure credit unions are given parity with the privileges CFIs enjoy, we believe FHFA's proposed rule perpetuates this lack of parity.

Access to advances in times of need promotes the safe and sound management of our credit union. We are borrowing approximately \$60 million from FHLB Des Moines to help us manage our interest rate risk and liquidity needs. This rule, if adopted, would lower our confidence that the FHLB Des Moines can be counted on as a reliable source of liquidity in extreme market conditions.

While our credit union would meet the requirements of the proposed rule today, there is a possibility that at some point in the future, due to prudent management of interest rate risk, economic or regulatory changes, our institution could fail the test. Our credit union should be free to manage our balance sheet in light of what's best for us, not based on the requirements to maintain FHLB membership eligibility. Your agency's proposed rules could fundamentally

change how, or even whether, a depository financial institution such as ours could remain a member of a FHLB Des Moines.

Thank you for taking our comments into consideration.

Sincerely,

A handwritten signature in blue ink, reading "Daniel Zaczkowski". The signature is written in a cursive style and is positioned above a horizontal line.

Daniel Zaczkowski
Chief Financial Officer
TruStone Financial Federal Credit Union