



January 6, 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:

I am Dennis Bauer, CFO of Ideal Credit Union located in St. Paul, MN. I am writing to express my 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. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). For these reasons Ideal Credit Union opposes this proposed rule.

Our institution provides lending across the greater St. Paul, MN metropolitan area with a focus on mortgage and auto lending. Our institution lends out nearly 100% of our member deposits and relies on the FHLBDM to provide liquidity and interest rate risk mitigation. Access to advances is critically important to our credit union because FHLBank liquidity allows us to offer competitive rates to our members that we might not otherwise be able to offer. Having a credit line and borrowing capacity with FHLB Des Moines promotes the safe and sound balance sheet management of our institution.

Ideal 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.



Without access to our FHLBank, the credit available to communities in our region will be unnecessarily impacted. We believe this proposed rule is a solution in search of a problem. Because the proposed rule outlines no safety and soundness concerns-and because there is no legitimate public policy goal of the proposed rule-Ideal Credit Union strongly recommends that you withdraw the proposed rule. Thanks for taking our comments into consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis R. Bauer", written over a light blue horizontal line.

Dennis R. Bauer
CFO/EVP
Ideal Credit Union