



# Brentwood Bank

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Alfred M. Pollard, Esq., General Counsel  
Attention: Comments/RIN 2590-AA37  
Federal Housing Finance Agency, Fourth Floor  
400 Seventh Street, S.W.  
Washington, DC 20024

January 8, 2015

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

Dear Mr. Pollard:

On behalf of Brentwood Bank, I am writing to voice my concerns regarding the notice of proposed rulemaking. While I appreciate your desire to provide a strong Federal Home Loan Bank System "FHLB" I can't help but recall the old adage attributed to Bert Lance when he was Director of the Office of Management and Budget, "if it ain't broke, don't fix it".

As a community bank of approximately \$500 million in assets the FHLB is a key part of our liquidity planning. This rule appears to have the potential to limit access to liquidity at a time when our regulators are requiring more, not less, liquidity. While many banks may be flush with deposits currently, most experts believe that this may change when interest rates inevitably rise.

Additionally, under current rules, the amount of borrowings having a maturity greater than 5 years is limited by the amount of residential housing assets on our bank's balance sheet. The proposed rule seems almost duplicative.

Finally, this proposal is addressing a problem that doesn't exist. To my knowledge there are no safety and soundness problems at the FHLB raised by lending to members that may fall below the proposed asset test levels. However, it would impose additional burdens and expenses on my bank, may raise concerns from my own regulator and most importantly could restrict the flow of capital in the communities we serve.

Based on my review of the proposal I believe it could harm the FHLB members and weaken a System that has worked well for over 80 years. I ask that the FHFA withdraw RIN 2590-AA37.

Sincerely,

Thomas Bailey  
President & CEO

TB/rh

**Brentwood Bank 24/7**

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