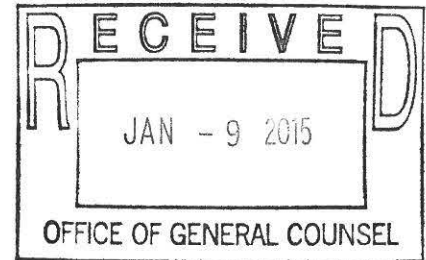




January 8, 2015

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



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

Dear Mr. Pollard:

On behalf of Ally Bank, I would like to thank you for giving us the opportunity to submit comments on the notice of proposed rulemaking (“NPR”) regarding the revisions to the membership requirements for the Federal Home Loan Banking System.

I am writing to express our concerns about the NPR. While we appreciate your desire to provide for a stronger Federal Home Loan Bank System, we believe the proposed rule undermines the goal of the proposal. The System was developed to support residential mortgage lending and was structured to ensure that its members were committed to supporting this activity.

It is our belief that this proposed regulation could result in diminished lending activities that have a negative impact on the recovering housing market. It is the FHLB’s goal to support residential mortgage lending and if the new regulation makes it difficult or impossible for members to borrow from the FHLB, it could reduce the amount of lending that is provided to the community and potentially further weaken the housing market.

We are of the opinion that ongoing housing asset tests already exist. We are required to pledge collateral, and the majority of the types of collateral eligible to be pledged to secure advances under the FHFA regulations are housing assets (e.g., various types of mortgage loans, mortgage-backed securities and home equity loans). Consequently, advances from FHLBanks provide liquidity for these housing assets. These tests work and do not impose regulatory burdens or penalties.

It is also our belief that this proposed rule will diminish the value of FHLBank membership, reduce borrowing from FHLBanks and reduce the capacity of FHLBanks to assist members in serving the housing needs of their markets. This will include a negative impact on net income for the FHLBanks, which will, in turn, reduce the income Ally Bank realizes as a member, in the form of reduced dividends and increased stock requirements, and could potentially increase the costs associated with our membership, in the form of increased advance rates.

Additionally, we are concerned that internal resources at our FHLBank (Pittsburgh) will have to be redeployed to monitoring membership tests and this may take away from their ability to create



innovative programs, which help to reduce our cost of funding. With a lower cost of funds, Ally Bank is able to support residential mortgage lending, which helps to revitalize communities.

Lastly, we are concerned that the minimum requirements may change members' highly liquid asset composition held in their investment securities portfolios resulting in a negative impact to their Liquidity Coverage Ratio (LCR).

Based on our belief that the proposals could harm FHLBank members and generally weaken a System that has worked well for more than 80 years, we ask that the FHFA reconsider the September 12, 2014 Notice of Proposed Rulemaking.

Respectfully,

A handwritten signature in black ink, appearing to read "James T. Houghton", written over a thin horizontal line.

James T. Houghton
Treasurer and Chief Investment Management Officer
Ally Bank