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January 09, 2015

Alfred M. Pollard, General Counsel
Attention: Comments/RIN2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW., Eighth Floor
Washington, DC 20024

RE: Comments on FHFA Proposed Regulation on Federal Home Loan Bank Membership (RIN 2590-AA39); FHFA-2014-0024-0001

Dear Mr. Pollard,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Federal Housing Finance (FHFA) Proposed Regulation regarding the Federal Home Loan Bank (FHLB) membership requirements. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 137 Georgia credit unions that have over 2 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Many Georgia credit unions have been a member of the Federal Home Loan Bank (FHLB) for numerous years and have greatly benefited from the services they provide. After reviewing the proposed membership requirements, our credit unions expressed concern that the end result would weaken the integrity of the FHLB Regional System. It could also possibly create safety and soundness issues for those institutions that would be forced to forfeit their membership. Georgia credit unions believe that Congress, not the regulator, should define who can be members of FHLBs. It is our understanding that the FHFA is under no statutory obligation to impose these membership limits on an ongoing basis. Therefore, we find the proposed regulation to be unnecessary.

Georgia credit unions do appreciate the desire to ensure that FHLBs remain focused on the housing portion of their mission. However, we believe the proposed rule does not appropriately recognize the many actions of Congress that have expanded the FHLB's membership and mission, as well as access to FHLB liquidity. As drafted, the proposed rule will actually inhibit the FHLB's ability to execute their mission. Furthermore, by imposing ongoing asset-based tests on institutions to maintain FHLB membership, the proposed rule will limit credit unions' ability to serve the credit needs of their members and community. Georgia credit unions use the

FHLB as a source for structured borrowings so that they can serve their members mortgage needs and minimize interest rate risk. Without access to the FHLB, credit unions would not be able to serve their members by offering long term mortgages. Loss of FHLB membership would directly impact members' access to long term mortgages. Members would be forced to seek mortgages elsewhere at higher fees and interest rates.

As you can see from just these few points, Georgia credit unions have serious issues with the proposed rule. While these issues are very important to Georgia credit unions, even more troublesome is the inequality that credit unions are given in respect to banks in the proposed rule. This rule should apply to credit unions the same way that it applies to banks, and credit unions should be given equivalent exemptions as banks are given.

GCUL feels that the proposed rule will unnecessarily change a system that is already performing well and doesn't need to change. As written, the proposed rule will restrict credit union's ability to serve their members and reduce the credit housing options available to them. From the credit union's perspective, the proposed rule will likely result in the termination of membership for some credit unions FHLB membership. Therefore, we ask the FHFA to withdrawal the proposal and reconsider how these changes would negatively affect credit unions but any other institutions impacted by the proposal.

GCUL appreciates the opportunity to present comments on behalf of Georgia's credit unions. Thank you for your consideration. If you have questions about our comments, please contact Selina Gambrell or Cindy Connelly at (770) 476-9625.

Respectfully submitted,

A handwritten signature in cursive script that reads "Selina M. Gambrell". The ink is dark and the signature is fluid and legible.

Selina M. Gambrell

Compliance Specialist