January 12, 2015

Alfred M. Pollard, Esq., General Counsel

Attention: Comments/RIN 2590-AA39

Federal Housing Finance Agency

400 Seventh Street SW, Eighth Floor

Washington, D.C. 20024

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

Dear Mr. Pollard:

We appreciate the opportunity to comment on the Federal Housing Finance Agency’s proposed rule RIN 2590-AA39 Members of the Federal Home Loan Banks. As a credit union member of an FHLBank, we appreciate your desire to ensure the FHLBanks 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 FHLBanks’ membership and mission, as well as access to FHLBank liquidity. As drafted the proposed rule will actually inhibit the FHLBanks’ ability to execute their mission. Furthermore, by imposing ongoing asset-based tests on our institution to maintain FHLBank membership, the proposed rule will limit our ability to serve the credit needs of our members and community.

We are concerned that the proposed rule would significantly increase FHLBank membership requirements for existing and prospective members and reduce the availability and reliability of liquidity on which we depend. The proposed rule would make it more difficult for credit unions of all sizes to deliver important credit to their communities and would discourage potential members from joining.

Alabama Credit Union has been an FHLB member for nearly 20 years, beginning at a time when it could not meet the new membership requirements that are proposed. While that is no longer the case, many smaller credit unions dependent upon the FHLB for liquidity purposes would be disadvantaged.

Over the years we have borrowed extensively from the institution, and now consider it one of our most valuable partners. Under the proposal, many smaller credit unions will not have the opportunity to develop such a relationship. We therefore urge this proposal to either be withdrawn, or for the 10% asset-based exemption to be made available to credit unions, just as it is for CFI designated banks.

Again, thank you for the opportunity to comment on this proposal.

Very truly yours,

Steve Swofford, President