



Membership, Ownership, Financial Security

17811 E. U.S. HIGHWAY 40  
INDEPENDENCE, MO 64055  
816-842-0727  
1-800-254-1535  
FAX 816-472-4912

January 9, 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 writing to express my concerns about the notice of proposed rulemaking regarding our credit union's membership eligibility in Federal Home Loan Bank (FHLB) that has been put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and unnecessary changes to long-standing membership rules for the FHLB system. I believe that the proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLB Act). Because of this Central Communications Credit Union is vehemently opposes this proposed rule change.

As the President/CEO of Central Communications Credit Union, our institution provides lending across all of our community with a focus on consumer and home equity loans. The FHLB Des Moines provides a critical role in our ability to serve our membership and provide them with superior financial services. We rely on the FHLB to provide us with liquidity as needed to fund loans to our members and to meet spikes in settlement of financial transactions that our members are doing to pay for purchases. Restricting or taking away our FHLB membership or access to advances will greatly impact our operations and harm our members with potentially fewer loan options and higher fees.

Beyond this, we invested part of our capital when we purchased FHLB Des Moines Membership Stock. This is required to become a member of the FHLB and to change or restrict our access to any or all of the services they provide would be unfair and leave us on a un-level playing field with competing banks. The proposed regulation on FHLB membership creates many concerns for Central Communications Credit Union. While my credit union would meet the proposed rule requirements of the proposed rule today, I feel that the rule establishes a problematic precedent. There remains a distinct chance that at

some point in the future, due careful management of interest rate risk, economic or regulatory changes, our institution could fail the test. Our credit union should be free to manage our balance sheets with what is best for us and not the demands of a regulator. Not to mention, the proposed regulation conflicts with concerns from financial regulators that financial institutions reduce holdings of long-term fixed rate mortgages and sell them in the secondary market.

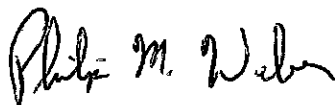
Central Communications Credit Union is particularly sensitive to the fact that credit unions are treated unequally in comparison to similarly sized banks because of a provision in the Federal Home Loan Bank Act which exempts community financial institutions (CFIs) from the 10% test. Clearly, federally 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.

Your agency's proposed rules could fundamentally change how, or even whether, a depository financial institution such as ours could remain a member of a FHLB Des Moines. This is enormously disturbing. Confidence, trust and reliability comprise the bedrock upon which our long-time FHLB membership is built. We need to know that the FHLB Des Moines can provide funding on a moment's notice as it did in the recent financial crisis.

Access to advances is critically important to our credit union because FHLB liquidity allows us to offer competitive rates to our members that we might not otherwise be able to offer. **FHLB of Des Moines is our main liquidity source in times of need.** Additionally, having a credit line and the term borrowing capacity with FHLB Des Moines promotes the safe and sound management of our institution.

Because the proposals would harm Credit Unions that are FHLB Members and hurt housing, credit and economic growth, we ask that the FHFA withdraw the new membership rules contained in its September 12, 2014 Notice of Proposed Rulemaking and work with FHLB members to preserve the FHLBs as a reliable partner of its members that benefits local lending institutions, communities, housing, homeownership and the nation's economy.

Sincerely,

A handwritten signature in black ink that reads "Philip M. Weber". The signature is written in a cursive, flowing style.

Philip M. Weber  
President/CEO  
Central Communications Credit Union