



January 12, 2015

Alfred M. Pollard, Esquire
General Counsel
Federal Housing Finance Agency (FHFA)
400 Seventh Street SW, Eighth Floor
Washington, DC 20024

Re: Notice of Proposed Rulemaking –Members of Federal Home Loan Banks | FHFA-2014-0024-0001;
RIN 2590-AA39

Dear Mr. Pollard:

I am writing on behalf of Suncoast Credit Union (Suncoast), a not-for-profit, cooperative financial institution that serves over 600,000 members along the west coast of Florida. We are a federally insured state-chartered credit union with 57 branches and \$5.9 billion in assets. We appreciate the opportunity to comment on the Notice of Proposed Rulemaking – Members of Federal Home Loan Banks.

As a credit union member of Florida Home Loan Bank (FHLB) Atlanta, Suncoast appreciates your desire to ensure they 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 FHLBs' membership and mission. Also, we are concerned the proposed rule would significantly increase FHLB membership requirements for existing and prospective members and reduce the availability of liquidity on which we depend. The proposed rule would make it more difficult for credit unions of all sizes to serve the credit needs of their membership.

FHLB members serve the housing needs of their communities in a variety of ways. Some hold assets on their balance sheets that reflect a role in the residential housing market; others originate home mortgages and sell them into the secondary market; others may have a greater focus on community and economic development; and some may play a key role in small business lending. All of these activities help create the economic foundation for housing opportunity. These various roles that FHLB members play in local economies strengthen the FHLB system and should be embraced.

Ongoing compliance with membership requirements of the proposed rule would impose additional regulatory burdens on FHLB members and add uncertainty to FHLB membership. Suncoast believes the proposed rule will place a particularly onerous burden on smaller credit unions. The proposed rule requires credit unions of all sizes to maintain 10% of their assets in residential mortgage loans on an ongoing basis. In contrast, banks that qualify for community financial institution (CFI) status are exempt from the 10% requirement. At a minimum, the exemption should be extended to CFI credit unions.

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To remain a strong credit union that is able to serve our members, we must be able to manage our balance sheets and liquidity to respond to changing market conditions and demand from our members. Suncoast's goal is to serve our members and communities, and unnecessary compliance costs make this more difficult. We could find ourselves managing to regulations instead of responding to our members' needs weakening our financial condition. FHLB members are currently subject to ongoing requirements that demonstrate commitment to housing finance and adding more requirements would be burdensome.

Under the membership structure established by congress, the FHLBs have proven to be a safe and sound business model that reliably supplies liquidity to a broad range of cooperative members for a variety of uses. Suncoast's membership in FHLB Atlanta and the reliable access to liquidity it provides has helped us better serve our members and our community. FHLB liquidity has also supported the recovery of local housing markets and economies throughout Florida.

The proposed rule would fundamentally change a vital part of the United States housing finance system that has and continues to perform well. It will restrict credit unions' ability to serve their members, result in the termination of membership for some credit unions in good standing, and ultimately reduce housing and economic development credit available to families and small businesses.

For these reasons, we cannot support the proposed rule and request that FHFA instead engage in a series of public hearings, workshops, and roundtables to solicit a variety of viewpoints from diverse stakeholders that may be impacted by this wide-ranging proposal.

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

Sincerely,

A handwritten signature in black ink that reads "David Gonzalez". The signature is written in a cursive, flowing style.

David Gonzalez
Vice President/Compliance Officer