

One North LaSalle Street  
Suite 700  
Chicago, IL 60602  
312 629 0060

3011 West Grand Boulevard  
Suite 1715  
Detroit, MI 48202  
313 309 7820

202 East Market Street  
The Platform  
Indianapolis, IN 46204  
317 454 8530

911 Washington Avenue  
Suite 203  
St. Louis, MO 63101  
314 588 8840

215 North Water Street  
Suite 225  
Milwaukee, WI 53202  
414 563 1100



January 12, 2015

Alfred M. Pollard, Esq., General Counsel  
Attention: Comments/RIN2590-AA39  
Federal Housing Finance Agency  
400 Seventh Street, SW, 8<sup>th</sup> Floor  
Washington, DC 20024

Re: Notice of Proposed Rulemaking; Request for Comments – Members of the  
Federal Home Loan Banks

Dear Mr. Pollard:

IFF appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) notice of proposed rulemaking and request for comments on "Members of the Federal Home Loan Banks (FHLB)" published September 12, 2014, which proposes a series of regulatory changes to the eligibility requirements for FHLB membership.

As one of the first non-depository community development financial institutions (CDFI) to become an FHLB member after CDFI membership was first authorized by the Housing and Economic Recovery Act of 2008 (HERA), IFF is extremely concerned that—despite FHFA's good intentions—the proposed rule is unnecessary and will only make it more difficult for other non-depository CDFIs to join the FHLB system.

The proposed changes are unnecessary because since passage of HERA, the CDFI industry has worked with FHFA and FHLBanks to fine tune a framework of membership requirements that has led to substantial progress. As a result, nearly 30 non-depository CDFIs are now FHLBank members. Not all FHLBanks have CDFI members, and more work needs to be done. But CDFIs are now part of the FHLB system, and their primary motivation for joining has been to access the low-cost, long-term capital they need to increase home mortgage and other related lending in low-income communities.

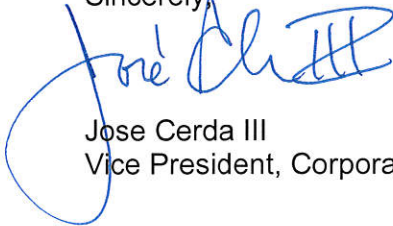
Even more troubling is that the proposed changes do not sufficiently consider the impact they will have on non-depository CDFIs. In fact, with respect to the requirement that FHLB members meet both minimum and ongoing thresholds for home mortgage financing—a core component of the proposed rule—the FHFA admits that it, "currently lacks access to the data necessary to determine how many CDFI members could comply..." Without this specific data, it would be unfair to apply this portion of the proposed rule to non-depository CDFIs at this time.

Finally, IFF is concerned that the overall impact of the proposed rule will be to shrink the FHLBanks' membership, mission and reach. IFF believes that a vibrant FHLB system should include a growing number of strong member institutions, the increased participation of high-performing CDFIs and a continued strengthening of the membership framework that FHLBanks and CDFIs have worked so hard to develop over these past five years.

For these reasons, IFF recommends the withdrawal of the proposed rule.

Thank you for your consideration.

Sincerely,



Jose Cerda III  
Vice President, Corporate Communications & Public Affairs