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December 31, 2014

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA37
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, DC 20024

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

Dear Mr. Pollard:

On behalf of Apollo Trust Company, I am writing to express my thoughts regarding the referenced Notice of Proposed Rulemaking. While I appreciate your apparent desire to provide for a strong Federal Home Loan Bank System that supports housing, the Proposed Rule significantly undermines the proposal's goal.

My regulator requires a reliable source of contingent liquidity. For us, this has always been my Home Loan Bank. With this rule, I'm concerned that my regulator will not consider the FHLBanks reliable and may require another, more expensive, liquidity source. The FHFA is not a bank regulator, but this proposed regulation imposes a significant regulatory metric that Apollo Trust Company would have to assess in the future. Have you consulted with the federal banking regulators?

As a small bank, I worked hard to have the Congress exempt institutions under \$500 million in assets from the 10 percent test to join FHLBanks in 1998. In 2008, I was glad to see Congress increase eligibility for this exemption to institutions with \$1 billion in assets. That number is now inflation-indexed to bring it to \$1.1 billion. As a community bank, we are enormously proud of the work we do to build a stronger community through providing access to credit for a broad range of our local customers' needs. That is exactly what our membership in our Federal Home Loan Bank enables us to do.

I'm concerned that internal resources in my FHLBank (Pittsburgh) will have to be redeployed to monitoring membership tests and this may take away from their ability to create innovative programs such as Blueprint Communities, which helps to revitalize communities, or Banking On

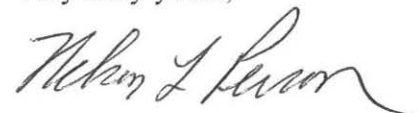
Business, which creates and retains jobs. These are programs that really help communities. By reducing flexibility for FHLBank members to manage our balance sheets, which is not directed at any FHLBank safety and soundness concerns, this rule may present new safety and soundness challenges to my institution.

This proposed regulation addresses a problem that does not exist. As a former federal regulator personally responsible for supervising one of the nation's large complex banking organizations, I strongly believe there are no safety and soundness concerns at FHLBanks raised by lending to members that may fall below either of these proposed ongoing asset test levels. However, the proposal would impose new regulatory-type burdens and expense on my institution, could put me at odds with my own regulator, and restrict the flow of capital into the communities we serve.

The Federal Home Loan Bank of Pittsburgh went through some difficult times during the financial crisis including suspending dividends for several years. I supported the FHLBank as a member during that period and respected your concerns that it remain well-capitalized. Now you are proposing a regulation that could force me out at a time when the FHLBank is well-capitalized and profitable. Congress, not FHFA, should determine membership requirements.

Based on a strong belief that the proposals could harm FHLBank members and generally weaken a System that has worked well for more than 80 years, I respectfully ask that the FHFA reconsider and withdraw the September 12, 2014 Notice of Proposed Rulemaking.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Nelson L. Person".

Nelson L. Person
President and CEO