
RHODE ISLAND
BANKERS
ASSOCIATION

January 23, 2015

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW., Eighth Floor
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 the Rhode Island Bankers Association and our thirteen members, all of which are members of the Federal Home Loan Bank of Boston, we appreciate the opportunity to submit this comment on the proposed rule.

Ongoing compliance with the proposed membership requirements would impose additional regulatory burdens on Federal Home Loan Bank (FHLB) members and add uncertainty to FHLB membership. Our institutions, mostly small community banks, would be required to manage their balance sheets to have ample assets that satisfy the proposed requirements and ensure access to FHLB funding. The proposal would add another layer of regulation to our members on top of an ever-increasing regulatory burden.

Although the majority of our institutions are well-positioned to meet the requirements as outlined, the FHLB's cooperative structure works because of its diverse membership. Limiting that membership as proposed would only weaken that structure and undercut FHLB Boston's ability to reliably and safely serve its membership.

The proposed changes also seem to be inconsistent with the Federal Home Loan Bank Act and past Congressional actions. Historically, Congress has broadened, not tightened, the field of FHLB membership along with the types of acceptable collateral for FHLB funding. Further, in recent discussions on housing finance reform, expansion of the role of FHLBs and access to their liquidity has found consistent support among lawmakers. The current rules work well, and if changes are needed, Congress should act before sweeping new requirements are imposed on the FHLBs.

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Finally, we cannot stress enough how important reliable access to FHLB Boston is to our institutions and the communities they serve. The proposed changes would undermine their ability to maintain access to liquidity and serve the housing and community development needs of their state. For these reasons, we request that the proposed rule be withdrawn.

Thank you for the opportunity to submit a comment.

Sincerely,

RHODE ISLAND BANKERS ASSOCIATION

A handwritten signature in black ink, reading "David V. Devault". The signature is written in a cursive style with a long horizontal flourish extending to the right.

David V. Devault, President