

SPENCER BACHUS
6TH DISTRICT, ALABAMA

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REGULATORY REFORM, COMMERCIAL,
AND ANTITRUST LAW

Congress of the United States
House of Representatives
Washington, DC

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<http://bachus.house.gov>

November 17, 2014

The Honorable Melvin L. Watt
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Dear Director Watt:

We are writing to express our concerns about the notice of proposed rulemaking regarding membership eligibility in Federal Home Loan Banks (RIN 2590-AA39), that was recently issued by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant changes to long-standing membership rules for the Federal Home Loan Bank (FHLBank) system and is likely to have a profound adverse impact on the existing and prospective members and on the communities served by the system. Since their creation over eighty years ago, FHLBanks have helped community banks, credit unions, insurance companies and other groups to provide needed financial services to consumers and have served as a stabilizing presence in the financial system during periods of economic challenge.

Congress has retained the authority to determine the scope and nature of eligibility for FHLBank membership. Congress has frequently reviewed FHLBank membership and member access to the services the system offers. On multiple occasions, Congress has expanded the categories of eligible membership and facilitated access to the important funding the FHLBanks provide. As recently as four years ago, Congress adjusted FHLBank membership rules and did not choose to narrow eligibility for participation in the system, making its intent clear.


The FHLBanks serve as a critical source of liquidity for community banks, credit unions and their various other members, as witnessed by the crucial role the FHLBanks played during the financial crisis. The Banks also serve as an important conduit to the secondary markets for community financial institutions. The proposed rule could jeopardize these and other valuable functions that FHLBanks currently provide for community financial institutions.

In light of these concerns, we urge you to reconsider this proposal and begin a dialogue with Congress, where these important policy decisions should be made.



Spencer Bachus
Member of Congress

Sincerely,




David Scott
Member of Congress

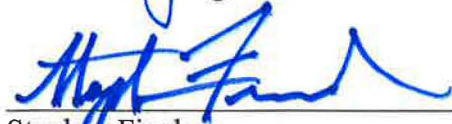

Bill Huizenga
Member of Congress

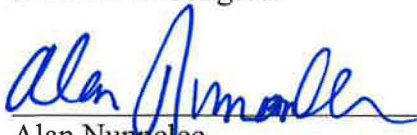

Steve Stivers
Member of Congress

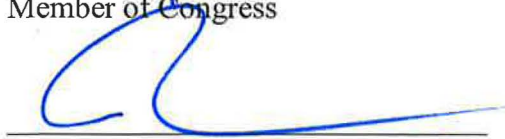

Lynn Westmoreland
Member of Congress

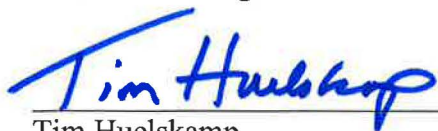

Gary Miller
Member of Congress


Randy Hultgren
Member of Congress

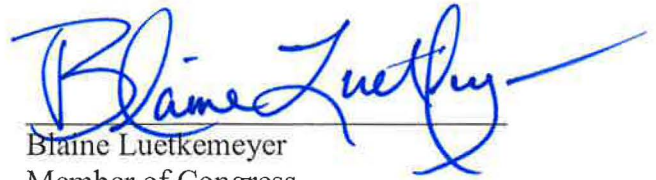

Stephen Fincher
Member of Congress


Alan Nunnelee
Member of Congress



John Delaney
Member of Congress

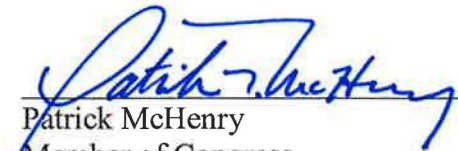

Tim Huelskamp
Member of Congress

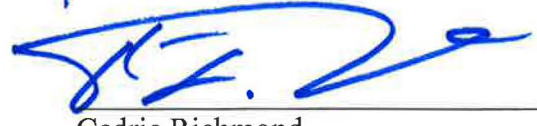

Keith Rothfus
Member of Congress



Blaine Luetkemeyer
Member of Congress

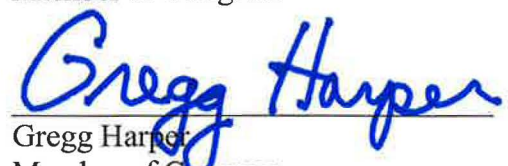

John Campbell
Member of Congress

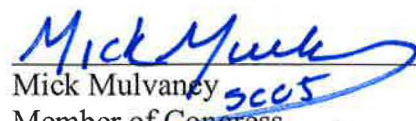

Frank Lucas
Member of Congress

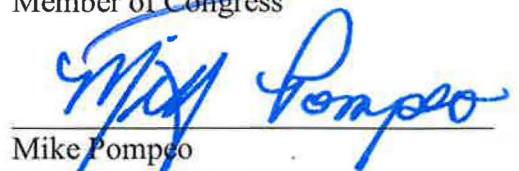

Patrick McHenry
Member of Congress

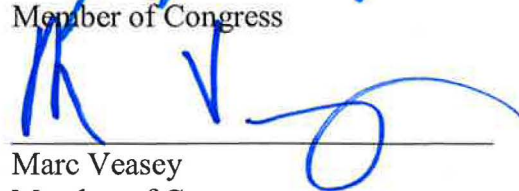

Cedric Richmond
Member of Congress


Pete Sessions
Member of Congress


Gregg Harper
Member of Congress

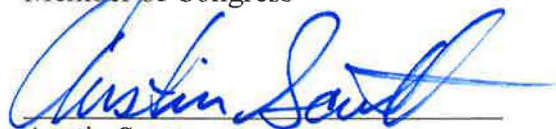

Mick Mulvaney
Member of Congress


Mike Pompeo
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Marc Veasey
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Scott Tipton
Member of Congress



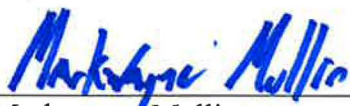
Austin Scott
Member of Congress



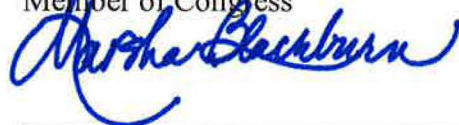
Michael Grimm
Member of Congress



Denny Heck
Member of Congress



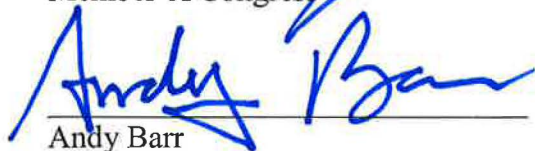
Markwayne Mullin
Member of Congress



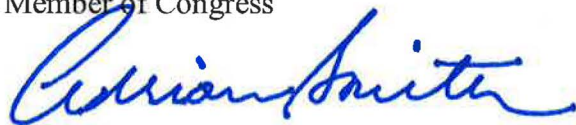
Marsha Blackburn
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Tim Walberg
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Andy Barr
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Adrian Smith
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Robert Hurt
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Bill Foster
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Mike Coffman
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Sean Duffy
Member of Congress



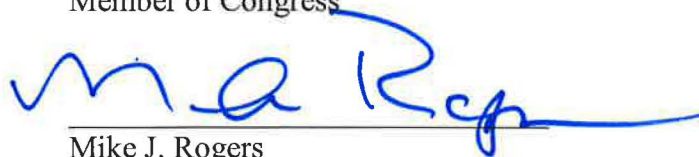
Blake Farenthold
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Tom Cole
Member of Congress



Mike Fitzpatrick
Member of Congress



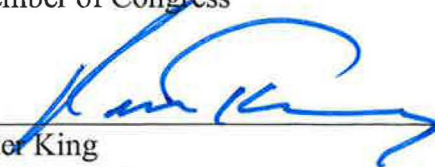
Mike J. Rogers
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Mike Quigley
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Lynn Jenkins
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Peter King
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Gene Green
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Doug Lamborn
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Terri Sewell
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Robert Pittenger
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Reid Ribble
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Marlin Stutzman
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Mike Kelly
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Gary Peters
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James Lankford
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Gwen Moore
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Steve Pearce
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Lee Terry
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Jeffrey Fortenberry
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Bradley Byrne
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Kevin Yoder
Member of Congress

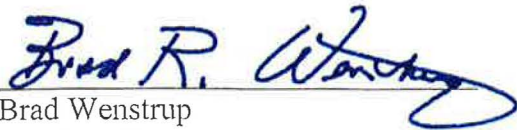
Patrick Tiberi
Member of Congress

Joyce Beatty
Member of Congress

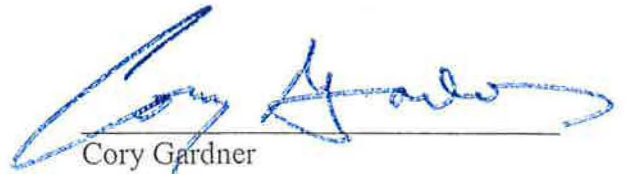
André Carson
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Pete Olson
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Ron Kind
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Brad Wenstrup
Member of Congress



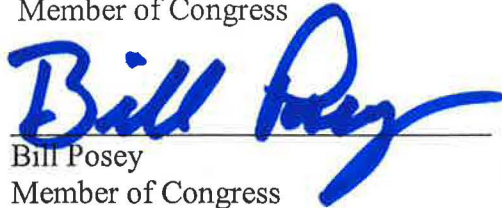
Cory Gardner
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Dan Kildee
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Dennis Ross
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Bill Posey
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Gerald Connolly
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