

RIN 2590-AA39

SUBJECT: Notes of Call Between FHFA Staff and Representatives of the American Institute of Certified Public Accountants on the Notice of Proposed Rulemaking on Federal Home Loan Bank Membership, 79 FR 54848 (Sept. 12, 2014)

DATE: June 3, 2015

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On June 3, 2015, staff of the Federal Housing Finance Agency (FHFA) participated in a conference call with members of the Depository Institutions Expert Panel (DIEP) of the American Institute of Public Accountants (AICPA) to discuss aspects of FHFA's proposed rule on Federal Home Loan Bank (Bank) membership.

The DIEP provided information and opinions on the difficulties Bank members may encounter in attempting to comply with, and to demonstrate compliance with, the ongoing asset ratio requirements the proposed rule would require members to meet to remain eligible for membership. FHFA staff and DIEP members discussed challenges members could face in identifying assets on their books that qualify as “home mortgage loans” or “residential mortgage loans,” in monitoring on an ongoing basis the amounts of such assets held, and in obtaining auditor confirmation of those amounts. DIEP members made the point that the type of “certification” that the rule would require a member to obtain from its auditor under some circumstances was inconsistent with what auditors normally do.

The DIEP members urged that FHFA consider the information and opinions presented when deciding on the contents of a final Bank membership rule.