

RIN 2590-AA39

SUBJECT: Notes of Meeting Between FHFA Staff and Representatives of Five Oaks Investment Corp. on the Notice of Proposed Rulemaking on Federal Home Loan Bank Membership, 79 FR 54848 (Sept. 12, 2014)

DATE: September 26, 2014

PARTICIPANTS:

Alfred Pollard (General Counsel, FHFA)
Christopher Curtis (Senior Deputy General Counsel, FHFA)
Neil Crowley (Deputy General Counsel, FHFA)
Eric Raudenbush (Assistant General Counsel, FHFA)
Amy Bogdon (Associate Director, Division of Bank Regulation, FHFA)
Julie Paller (Senior Financial Analyst, Division of Bank Regulation, FHFA)

David Carroll (CEO, Five Oaks Investment Corp.)
Darren Commiso (Managing Director, Oak Circle Capital Partners LLC)
Thomas Jolly (Attorney, Thomas R. Jolly LLC)
Daniel Hartnett (Attorney, Kaye Scholer LLP)

On September 26, 2014, staff of the Federal Housing Finance Agency (FHFA) met with representatives of, and outside attorneys for, Five Oaks Investment Corporation (Five Oaks), a publicly traded REIT, to discuss the effects of FHFA's proposed rule on Federal Home Loan Bank (Bank) membership. Earlier in 2014, Five Oaks chartered a captive insurer, Five Oaks Insurance LLC, in Michigan with the intent that the captive would apply to become a member of the Federal Home Loan Bank of Indianapolis. However, the Banks implemented a moratorium on admitting captives as members before the Five Oaks captive could be approved for membership.

The Five Oaks representatives stated that they value the Bank System as a source of long-term funding (as opposed to a source of lower interest rates). They presented materials and provided information in support of their contention that Five Oaks Insurance has a home lending mission that is aligned with the purposes of the Federal Home Loan Bank Act and presents little safety and soundness risk to the Bank System. The representatives urged that FHFA consider the information presented when deciding on the contents of a final Bank membership rule.