

July 25, 2016

Submitted Electronically

Alfred M. Pollard, Esq.
General Counsel
Attn: Comments/RIN 2590-AA42
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Re: Comments/RIN 2590-AA80 - Technical and Conforming Changes and Corrections to FHFA Regulations Notice of Proposed Rulemaking – Supplemental Comments

Dear Mr. Pollard:

The Federal Home Loan Banks signing this letter (“FHLBanks”) are submitting this supplemental comment letter on the above-referenced Notice of Proposed Rulemaking – Technical and Conforming Changes and Corrections to FHFA Regulations (the “NPR”). The FHLBanks appreciate the opportunity to comment on the NPR.

In the preamble the FHFA indicated that if a state is going to lose a member directorship, the determination of which member directorship to eliminate is within the discretion of the FHLBank’s board of directors, unless one of that state’s member directorships is scheduled to expire at the end of the year, in which case the FHLBank must eliminate that expiring directorship. This is a change from the process used before the adoption of the Housing and Economic Recovery Act (HERA), and the FHLBanks have not had an opportunity to comment on the process for the elimination of member directorships since before HERA. The FHLBanks are concerned that the process described in the preamble could create unintended consequences when a member directorship is eliminated in a year in which a director’s term is expiring, since the process does not allow for any discretion on the part of the FHLBank’s board, and the possible elimination of that directorship is not known well in advance as was the case under the prior process.

Consequently, FHLBanks could unexpectedly lose key members of their boards, such as board chairs, committee chairs, audit committee financial experts, or risk committee experts, with little notice and without any input from the board or members, solely because a member director’s term happens to expire in the year in which that director’s state will be losing a member directorship. We believe this approach creates significant challenges with board succession, could result in the loss of key skills or experience, and could adversely impact a board’s diversity efforts.

Therefore, the FHLBanks believe the FHFA’s process for designating which director’s seat will be eliminated is significant and request that the FHFA introduce this process in a substantive rulemaking that would give the FHLBanks the opportunity to comment, with the terms of the process to be set forth in the director election regulation. We suggest that, in order to provide the most flexibility for the board to take the action it considers to be in the best interests of the FHLBank and its members, the regulation should be revised to give the board discretion to determine which directorship will be eliminated in all cases, even when the expiration of a director’s term coincides with the elimination of a directorship in his or her state.

The FHLBanks appreciate the opportunity to offer these supplemental comments.

Sincerely,

Federal Home Loan Bank of Atlanta



Reginald T. O'Shields
General Counsel

Federal Home Loan Bank of Boston



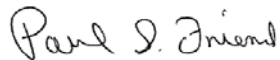
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