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October 24, 2016

Alfred M. Pollard, ESQ
General Counsel
Federal Housing Finance Agency
400 7th St. SW, Eight Floor
Washington, DC 20219

RE: RIN 2590-AA84

Dear Mr. Pollard:

The Independent Community Bankers of America (ICBA) appreciate the opportunity to provide comments on the proposed rule from the Federal Housing Finance Agency (FHFA) regarding Federal Home Loan Bank New Business Activities (NBAs). The Federal Home Loan Banks (FHLBs) are a critical source of low cost funding for thousands of community banks nationwide. Without this stable, affordable source of funding, many community banks would not be able to meet the credit needs of their communities. Community banks have depended on the FHLBs for over 80 years, and want to be sure that the system is strong and responsive to the changing needs of member institutions and their communities. Over 96% of ICBA Members belong to their local FHLB.

The proposed rule Federal Home Loan Bank New Business Activities is a response from FHFA to all FHLBs based on a 2013 (Request Letter) from all the FHLBs requesting improvements in the process to approve New Business Activities (NBAs) from a FHLB by the FHFA. The FHLBs expressed concerns with (1) the scope of the (current) NBA rule; and (2) the length of time afforded to the FHFA under the rule to respond to an NBA notice. The Request Letter also noted “the addition of a materiality concept would greatly enhance the FHLBs ability to assess the regulations applicability”.

¹ The Independent Community Bankers of America®, the nation’s voice for more than 6,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best in-class education, and high-quality products and services.

With 51,000 locations, nationwide, community banks employ 700,000 Americans, hold \$3.9 trillion in assets, \$3.1 trillion in deposits, and \$2.6 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA’s website at www.icba.org

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The proposed rule appears to have addressed the issues raised by the FHLBs Request Letter to FHFA and should provide meaningful improvement in both the types of NBAs that are submitted for FHFA approval as well as an approval timeline that is more responsive to the FHLBs. These improvements will help the FHLBs provide better service to their respective members. ICBA strongly supports these proposed changes.

ICBA looks forward to working with both the FHFA and the FHLBs on the finalization and implementation of this proposed rule. If you have any questions regarding this letter, please contact me at ron.haynie@icba.org.

Sincerely,

Ron Haynie Senior Vice President-Mortgage Finance Policy
Independent Community Bankers of America

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