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To: [#FHFA.REG-COMMENTS](#)
Subject: Comment on a Rule 2018-N-03 Submission
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"Comment on a Rule" form was submitted by **Fil Hall** from BankPlus on 4/6/2018 11:28:10 AM. The comment is listed below.

As Chief Credit Officer, I interact with Federal Home Loan Bank (FHLB) representatives every year when they are on-site conducting their annual collateral review relating to our line of credit. The following are suggestions to improve the FHLB program. Banks should not receive a "hair cut" for loans that are coded incorrectly. Instead, the loan should be coded correctly by the FHLB in their spreadsheet and the line recalculated based on the correct code. Loans where the balance exceeds the original amount due to a nominal extension fee should not be ineligible. The FHLB should follow the same appraisal regulations that the FDIC, OCC, FRB, and other federal regulatory agencies follow. The FHLB's loan coding guidelines for banks should mirror the Call Report. Requiring banks to retain the promissory note with the original signature is not necessary in today's environment. This requirement prevents banks from moving to a more efficient process that uses an electronic signature. Loans to directors and employees should be eligible for pledging. FHLB guidelines need to be revised to look at the current loan to value ratio rather than the original loan to value ratio when determining whether a loan is eligible or ineligible. "Hair cuts" to the line should be relative to the size of the loan that has an exception rather than based on the number of loans with an exception. The collateral review frequency should be extended to 18 months for banks with an Asset Quality rating of 2 or better and a Composite rating of 2 or better by the bank's primary regulator. The template used to upload loans is too restrictive with regards to the character limits, formatting, etc. The template also needs to be condensed to require only mandatory fields because the current template requires data that is not used by the FHLB. Finally, conducting reviews off-site is another suggestion.

This submission can be accessed [here](#).