

November 16, 2018

ATTN: Comments/ RIN 2590-AA94

Mr. Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
Constitution Center (OGC Eighth Floor)
400 7th St., SW
Washington, DC 20219

**Re: RIN 2590-AA95
Enterprise Capital Requirements Proposed Rule**

Dear Mr. Pollard:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed rule on Enterprise Capital Requirements. Given the importance of this issue, HCUA and its members applaud the FHFA's decision to release a proposed capital regime and solicit the public's input.

There is a direct correlation between the FHFA's efforts to ensure that Fannie Mae and Freddie Mac are adequately capitalized and the affordability of mortgage credit for consumers. In releasing the notice of proposed rulemaking, however, the FHFA fails to adequately discuss any examination into how the new capital requirements will impact conventional mortgage rates. HCUA believes that the omission of this discussion represents an error in the FHFA's analysis that should be remedied prior to any final rulemaking. Specifically, given that the Enterprises' mission involves ensuring the affordability and accessibility of conventional mortgage credit, any choice between alternate capital requirements should include a consideration of their pricing implications in the primary market.

In conclusion, HCUA recognizes and applauds FHFA's efforts to propose and establish a new capital structure for the Enterprises. In that process, however, HCUA urges the FHFA to examine pricing implications for the primary market. It is critical that the FHFA's final rule strike the appropriate balance between maintaining mortgage affordability and ensuring the adequate capitalization of the Enterprises

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,



Brad Douglas
President/CEO