



January 24, 2019

Submitted Electronically

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
Eighth Floor
400 Seventh Street, SW
Washington, D.C. 20219

Re: Proposed Rulemaking and Request for Comments: Federal Home Loan Bank Housing Goals Amendment, Comments/RIN 2590-AA82

Dear Mr. Pollard:

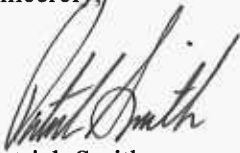
The Illinois Credit Union League “ICUL” is the primary association for nearly 300 state and federally chartered credit unions doing business in the State of Illinois, who in turn serve over 3.5 million consumers. Currently, 45 Illinois credit unions are members of the FHLB of Chicago. ICUL appreciates the opportunity to comment on the Federal Housing Finance Agency’s (FHFA) proposed amendments to the housing goals regulation applicable to the FHLBanks (the Proposal), which was published on November 2, 2018. We recognize the FHLBanks’ mission to support affordable housing extends to the Acquired Member Asset (AMA) programs and appreciate the simplification, flexibility, and the phase-in period the FHFA has provided in the Proposal. However, we also believe there are some areas where clarification and adjustment are needed.

We agree with the Proposal’s recognition that participation by smaller Members should be a focus of the AMA programs, however, we are concerned that a static percentage will ignore the continuing changes in the mortgage market. Therefore, we suggest clarifying the definition and timing of the measurement for qualifying as a Member that meets the small Member participation housing goal. With respect to the definition of “CFI asset cap,” the reference to community financial institutions (CFI), as drafted, creates uncertainty regarding whether a Member institution must actually qualify as a CFI. We believe that all types of eligible Participating Financial Institutions (PFIs) should qualify, not only those which meet the CFI classification – for example, credit unions – as long as they are under the CFI asset size. Accordingly, we recommend the definition of “CFI asset cap” be revised to “Housing goals asset cap” or something similar, while retaining the definition by cross-referencing to the CFI asset cap definition in §1263.1 of the AMA regulation.

Additionally, we believe the Proposal should use a three-year rolling average calculation of a Member's assets, based on its latest regulatory filing at each calendar year-end, in order to qualify the Member as a small Member for the entire fiscal year. This method would eliminate the uncertainty for the Member and the FHLBank while allowing for more transparent and clear tracking of qualifying PFIs. Thus, a Member that qualifies as a small Member at the beginning of the year based on prior year-end assets would continue to be counted as a small Member for the entire fiscal year.

We appreciate the opportunity to submit these comments and your consideration of them.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Smith", written in a cursive style.

Patrick Smith
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