

March 29, 2013

Alfred M. Pollard  
General Counsel  
Attention: Comments/RIN 2590-AA35  
Federal Housing Finance Agency  
Eighth Floor, 400 Seventh Street SW  
Washington, D.C. 20024

VIA E-Mail ([regcomments@fhfa.gov](mailto:regcomments@fhfa.gov))

**Re: Notice of Proposed Rulemaking and Request for Comments – Information Sharing Among Federal Home Loan Banks (RIN 2590-AA35)**

Dear Mr. Pollard:

The Federal Home Loan Bank of Topeka (FHLBank Topeka) appreciates the opportunity to comment on the Proposed Rule issued by the Federal Housing Finance Agency (Finance Agency) on January 29, 2013. FHLBank Topeka strongly supports the Finance Agency's efforts to enhance the information available to the FHLBanks regarding the condition of the other FHLBanks and offers the following comments.

The first proposed rule would have required that the Finance Agency periodically distribute to each FHLBank the report of examination (ROE) (or such portions thereof that the Finance Agency deemed appropriate) of all other FHLBanks, as well as any other supervisory reports that the Finance Agency presented to the board of an FHLBank. In response to the proposed rule, FHLBank Topeka submitted a comment letter supporting the Finance Agency's position on this topic.

As expressed in our comment letter on the first proposed rule, we believe the basis for information sharing among the FHLBanks is broader than simply providing each FHLBank with sufficient information to evaluate the financial condition of the other FHLBanks. Specifically, we believe a key reason information should be shared is to assess the likelihood that an FHLBank may be required to make payments on behalf of another FHLBank under the joint and several liability on the FHLBanks' Consolidated Obligations (COs). The Finance Agency stated in the first proposed rule that "by providing each Bank with access to the actual reports of examination and other supervisory reports presented to the boards of directors of the other Banks, the proposed rule would enable each Bank to better evaluate the other financial information already available and thus make a more informed assessment about the financial condition of each of the other Banks." FHLBank Topeka continues to support the Finance Agency's analysis as expressed in the first proposed rule.

The Finance Agency's second proposed rule takes "a more explicit and standardized approach to identifying the portions of the report of examination that will be provided to the other Banks and the OF" by proposing that the initial Director's order issued under the rule would provide for distribution of (i) the Bank's composite rating and component ratings for the current and prior examination; (ii) a summary of the current basis for the current composite rating; and (iii) the conclusion regarding the overall condition and practices of the Bank and the analysis used to reach that conclusion. FHLBank Topeka encourages the Finance Agency to reconsider this significantly narrower proposal.

Because the FHLBanks issue COs jointly as a System, complete ROE information shared among the FHLBanks by the Finance Agency could be used by FHLBanks to assess factors and trends that might affect their funding access and terms. Moreover, access to ROEs of other FHLBanks could provide an FHLBank with insight into ways of approaching and resolving a variety of issues and risks similar to those it faces. Thus, the sharing of complete ROEs could enhance an FHLBank's operational efficiency and ability to carry out its mission.

Nevertheless, FHLBank Topeka is mindful of the Finance Agency's concerns of inhibiting candid communications between FHLBank employees and Finance Agency examiners and, therefore, is supportive of the standardized removal of the "Management Discussion" section of the ROEs.

Consequently, FHLBank Topeka believes the Finance Agency's sharing of ROEs among the FHLBanks is more consistent with the Finance Agency's duties under 12 U.S.C. § 4513(a)(1)(B) to ensure that the FHLBanks operate in a safe and sound manner and their operations and activities foster liquid, efficient, competitive and resilient national housing finance markets. We encourage the Finance Agency to adopt an initial distribution order that will reflect the broader goals of the foregoing statute by systematically sharing ROEs, subject to the standardized removal of the "Management Discussion" section of each ROE.

On behalf of the Federal Home Loan Bank of Topeka, we thank the Finance Agency for its consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Jetter", with a long horizontal flourish extending to the right.

Andrew J. Jetter  
President and CEO