

November 12, 2012

Alfred M. Pollard  
General Counsel  
Attention: Comments/2012-N-14  
Federal Housing Finance Agency  
Eighth Floor  
400 7<sup>th</sup> Street, SW  
Washington, DC 20024

Sent via Email: [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov)

Great Lakes Capital Fund (GLCF) respectfully submits these comments on FHFA Notice Number 2012-N-14 for your consideration.

GLCF helps socially responsible corporations, such as insurance companies and other financial institutions, invest in affordable housing and community economic development activities. To date, GLCF and its affiliates have invested over \$2.5 billion in housing and community development activities, supporting 30,000 housing units, and 1 million square feet of commercial development and have benefitted communities across the states of Michigan, Minnesota, Mississippi, Illinois, Indiana, New York, and Wisconsin.

The Federal Home Loan Banks have a diverse membership base and each membership group can play a role in helping the FHLBs fulfill its mission. Since insurance companies are the second largest FHLB membership group in terms of assets under management, they have tremendous potential to further their public policy mission through their investing activities. For example a recent study shows that insurance companies represent 26% of the Low Income Housing Tax Credit (LIHTC) market. It is our belief that FHLB access has potential to increase insurer participation in the LIHTC market.

Unfortunately, the *Advisory Bulletin on Collateralization of Advances and Other Credit Products Provided by Federal Home Loan Banks to Insurance Company Members* would reduce the value of insurance company membership and their participation in the FHLBs mission. Any regulatory measure that negatively impacts insurance company membership and use of the FHLB System would reduce funding for housing and community development projects and impair the FHLB's effectiveness in carrying out its public policy mission.

Since insurance companies have been members of the FHLB System since its founding in 1932 and have never taken a loss on an advance, we respectfully request that the Advisory Bulletin be withdrawn to prevent the disenfranchisement of insurance company members.

Sincerely,



Mark S. McDaniel  
President and CEO  
Great Lakes Capital Fund