

From: CFWICK@aol.com
Sent: Friday, January 27, 2012 4:18 PM
To: !FHFA REG-COMMENTS
Cc: CFWick@aol.com; dallasmd@fhlbcin.com
Subject: Re: Federal Home Loan Bank Community Support Amendments; RIN 2590?AA38

January 27, 2012

Alfred M. Pollard, Esq.
General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street, N.W.
Washington, DC 20552

Re: Federal Home Loan Bank Community Support Amendments; RIN 2590?AA38

Dear Mr. Pollard:

I submit this letter in response to the request for comments issued by the Federal Housing Finance Agency (FHFA) on November 10, 2011, when it proposed amending its community support regulation to, among other things, require the Federal Home Loan Banks to monitor members' compliance with the community support requirements and determine whether members maintain access to long-term Bank advances. As an independent director and board chair of the Federal Home Loan Bank of Cincinnati (FHLBank), I'm concerned that certain proposed items run counter to the FHLBank's cooperative structure and mission as a housing finance service provider. I appreciate your consideration of my views on this important matter.

The following reasons summarize my position.

- * Procedurally, the proposed rule would require the FHLBank to act as regulator of their members.
- * The proposal threatens to re-create a conflict of interest which Congress eliminated long ago.
- * The proposal inappropriately broadens FHLBank underwriting standards.
- * I oppose eliminating the probationary period under the community support regulation.
- * Eliminating the probationary period also would undermine the reliability of long-term advances.

I would recommend that FHFA amend the proposed rule to keep responsibility for determining compliance with the FHFA's community support regulation at the FHFA, thereby ensuring the FHLBank is not required to act as regulator of its members. I also urge the FHFA not to eliminate the probationary period for members with a single CRA rating of "Needs to Improve."

Thank you for your consideration of these comments.

Sincerely,

Chair, Federal Home Loan Bank of Cincinnati