

VIA E-MAIL TO REGCOMMENTS@FHFA.GOV

January 31, 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:

We submit this letter in response to the request for comments issued by the Federal Housing Finance Agency on November 10, 2011, when it proposed amending its community support regulation to, among other things, require the Federal Home Loan Banks to monitor and assess each member's compliance with the Community Reinvestment Act of 1977 and first-time homebuyer standards in order to access FHLBank long-term advances. We appreciate your consideration of our views on this important matter.

Fidelity Cooperative Bank is \$525 million community bank headquartered in Leominster Massachusetts. The Bank offers all types of financial services to consumer, small business and municipalities in northern and central Worcester County. The lending focus is on residential home lending as well as commercial and small business commercial real estate and C&I lending. The mortgage lending operation is fairly extensive and originates approximately \$100 million on an annual basis and is very proactive and diligent about meeting its CRA requirements.

We have serious concerns that the proposed rule would require the FHLBanks to act as regulators of their members. The rule proposes to delegate responsibility for determining member compliance with the FHFA's community support requirements from the FHFA to the FHLBanks. We disagree with this approach, and believe that the FHFA is best suited to determine compliance with its own regulation. The FHLBanks should be allowed to continue doing what they do best — fulfilling their mission by offering advances and community investment products to their members.

We recommend that the FHFA amend its proposed rule and keep responsibility for determining compliance with its community support regulation at the FHFA. This will ensure that the FHLBanks are not required to act as regulators of their members.

Thank you for your consideration of our comments.

Sincerely,

/s/ Michael O. Gilles

Michael O. Gilles
Executive Vice President
Chief Operating and Chief Financial Officer