

**GLENS FALLS NATIONAL BANK AND TRUST COMPANY**

*Established 1851*  
250 GLEN STREET  
GLENS FALLS, NEW YORK 12801

Thomas L. Hoy  
Chairman

February 7, 2012

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Mr. 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:

This letter is in response to the request for comments on the November 10, 2011 Federal Housing Finance Agency proposal to amend the community support regulation to require the Federal Home Loan Banks to monitor and assess the eligibility of each Federal Home Loan Bank member for access to long term advances through compliance with the Community Reinvestment Act of 1977 and the first-time homebuyer standards (The Proposed Rule).

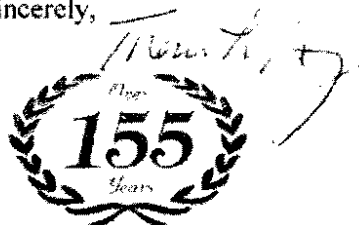
As a member of the Federal Home Loan Bank of New York (FHLB NY), we appreciate your consideration of our view on this matter. We believe that the existing process to determine compliance for members is appropriate. We also believe it is inappropriate to allow the FHLB NY as a lender to its members to also serve as a regulator of their own members' compliance. Our institution holds a national charter and receives a rigorous CRA evaluation periodically from the Comptroller of the Currency. The results of that exam are public and are available for all to see, and easily accessible by your agency. Our efforts in the area of providing credit to first-time homebuyers is also easily documented and can be submitted to your agency on a timely basis. Therefore, we do not believe that interjecting the FHLB NY into the process of evaluating our compliance with these requirements is necessary or appropriate.

We also believe that the current probationary period afforded institutions rated "Needs to Improve" at their latest CRA Exam is appropriate to allow institutions to correct any deficiencies that may exist in order for those institutions to continue extending credit in their communities. These communities might experience a restraint of credit if members lose their access to long term advances from the FHLB NY. This probationary period only seems reasonable for an institution that is not classified as a "Substantial Non-compliance" institution. We agree that those institutions that are rated "Substantially Non-compliant" should not be allowed a probationary period, and should be immediately placed on restrictive status until they can improve their rating.

The FHFA as the regulator is best suited and has the affirmative duty to implement their own regulation. We do not believe it is appropriate to shift the regulatory responsibility to the Federal Home Loan Bank's. Historically when the Federal Home Loan Banks were delegated that responsibility in the '80's, Congress reversed that delegation partly in response to the perception that it is inappropriate to be both the regulator and a lender to member banks.

Thank you for your consideration of our comments.

Sincerely,



TLH/ams

*Serving the North Country*