



**National Association  
of Federal Credit Unions**  
3138 10th Street North  
Arlington, VA 22201-2149

NAFCU | Your Direct Connection to Education, Advocacy & Advancement

February 8, 2012

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

**RE: FHLB Community Support Amendments; RIN 2590—AA38**

Dear Mr. Pollard:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions (FCUs), I am writing to you regarding the Federal Housing Finance Agency (FHFA) proposed rule to require Federal Home Loan Banks (FHLBs) to verify a member's Community Reinvestment Act (CRA) rating from publicly-available information from the member's primary Federal banking regulatory agency, and be responsible for overseeing members' compliance with FHFA's first-time homebuyer requirements.

Primarily, the rule proposes to transfer to the FHLBs the responsibility for evaluating member compliance with the Community Support Regulation. For NAFCU this raises significant concerns. In particular, we question the appropriateness of transferring a role in supervising member regulatory compliance to the member-owned FHLBs. Credit unions enjoy the same governance privileges as all FHLB members, but by their numbers are currently underrepresented on various FHLB Boards. As an independent regulatory agency, the FHFA can create a neutral regulatory regime.

We also have considerable concerns with the increased costs of compliance. Credit unions, like many other types of financial institutions, depend on their FHLBs for a variety of important services, to include liquidity. In addition, services from a FHLB are often the most cost-effective alternative for the institution. NAFCU believes that the proposed rule would unnecessarily increase the costs of operations for FHLBs, costs that would likely be passed down to members.

Given the totality of the circumstances, we do not believe there is a need to change the status quo, and thus, we strongly encourage the FHFA to withdraw the proposed rule.

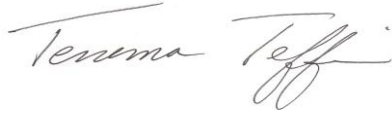
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NAFCU appreciates the opportunity to provide comments on the proposed rule. Should you have any questions or would like to discuss these issues further, please contact me at [ttefferi@nafcu.org](mailto:ttefferi@nafcu.org) or at (703) 842-2268.

Sincerely,

A handwritten signature in cursive script that reads "Tessema Tefferi". The signature is written in black ink and is positioned above the printed name.

Tessema Tefferi  
Regulatory Affairs Counsel