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February 8, 2012

Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency, Fourth Floor  
1700 G Street, NW  
Washington, D.C. 20552

RE: RIN 2590-AA38, Federal Home Loan Bank Community Support  
Amendments

Dear Mr. Pollard:

This comment concerns the recently proposed Federal Home Loan Bank Community Support Amendments. The amendments seem unwarranted and through them, the Federal Housing Finance Agency (FHFA) delegates too much authority to the Federal Home Loan Banks (FHLBs). FHLBs are more market participants than regulators, and the distinction should be acknowledged. Notwithstanding my opposition to the proposed rule as a whole, I am also specifically concerned that the proposed rule grants too much discretion to FHLBs.

Nothing in the proposed rule addresses the purpose of this regulation. I simply do not understand the need for these amendments. The only justification I gleaned from the Federal Register notice is that it would decrease the burden on the FHFA. I am sure this is true, but this is completely unjustified if the means are simply to shift the burden to FHLBs.

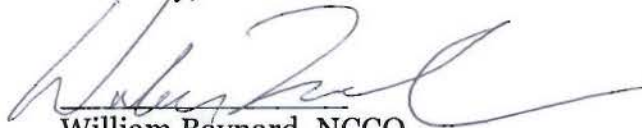
Shifting the burden of regulatory enforcement to the FHLBs is an inherently flawed proposal. The idea is at odds with very basic concepts of administrative law and procedure. The FHFA is the administrative agency responsible for regulating community support activities of financial institutions. FHLBs have neither the capacity nor experience to become financial regulators, even for the limited purposes contemplated in this rule.

If, over objections, the agency moves forward with the Community Support Amendments, I urge it to use precise definitions wherever possible. Giving broad discretion to an inexperienced regulator serves no legitimate goal. Although FHLBs could be given some discretion regarding the definition of "first-time homebuyer," its wholesale removal from the Code of Federal Regulations is improper. Rather than leave the FHLBs total discretion to qualify "first-time homebuyer programs," the FHFA

should enumerate specific minimum standards of inclusivity that would require FHLBs to qualify compliant financial institutions for the benefits of the program. FHFA could give FHLBs discretion to be more inclusive, but minimum standards should apply to all FHLBs.

I commend the FHFA for proposing a new and creative regulatory scheme. Nonetheless, I cannot support the proposed rule. I think the agency should justify the need for new regulation, before even addressing the other issues with this proposal. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Baynard', written over a horizontal line.

William Baynard, NCCO  
Assistant Vice President, Compliance  
Denali Alaskan Federal Credit Union