

HOUSING AUTHORITY OF THE CITY OF LONG BRANCH



Garfield Court Administration Building
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Tyrone Garrett, JD, P.H.M.,
Executive Director

February 8, 2012

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

Re: Comments/RIN 2590-AA38z

Dear Mr. Pollard:

Please accept this correspondence as a response to the request for comments on the November 10, 2011 Federal Housing Finance Agency(FHFA) proposal to amend the community support regulation which would require the Federal Home Loan Bank(FHLBanks), rather than the FHFA, to monitor and determine the eligibility of each FHLBank member as a condition of FHL Bank member gaining access to long-term advances through compliance with the Community Reinvestment Act of 1977(CRA) and first-time homebuyer standards. Your review of our concerns would be greatly appreciated.

The proposed regulation would switch responsibility from FHFA to the FHL Banks for determining if member institutions are in compliance with FHFA's community support regulations which would in effect require the FHLBanks to once again become regulators of their members. Such an action would create no greater oversight and would be a direct contravention of the intent of congress.

The regulations under which all FHLBanks operate are well known. The FHFA biennially reviews the performance of each member bank. Those members that receive a CRA rating of "Needs to Improve" are placed on a probationary period and have two years before their next exam in which to improve. Provisions are in place to restrict members from assessing long term advances should their status not improve.

We believe the probationary period should not be eliminated and is sound policy. Further, we believe that the FHFA is better suited to act as regulators and that the FHLBanks should be permitted to continue offering advances and community investment products to their members. Thank you for your anticipated consideration of these comments.

Best regards,



Tyrone Garrett, J.D.