

From: Stephen Hailer
Sent: Wednesday, February 08, 2012 2:20 PM
To: 'RegComments@fhfa.com'
Subject: Re: IN 2590-AA38; Federal Home Loan Bank Community Support Amendments

Dear Mr. Pollard:

I am writing on behalf of North Akron Savings Bank as well as expressing my individual views as a long serving director of the Federal Home Loan Bank of Cincinnati regarding the proposal to amend the community support regulations that will impact the Federal Home Loan Bank (FHLB) member banks. I write this with the expertise of being in banking for 36 years with 32 of those years as a CEO.

Simply put this proposal is both a bad and an unfair idea. Since not all members of Federal Home Loan Banks are subject to CRA requirements, the proposal divides FHLB members into classes separated only by political influence. The proposal could very well further limit liquidity to the housing markets and damage those members that are required to comply with CRA. I point out of course that there are already serious penalties in place for non-compliance for the members of each FHLB who are subject to CRA.

In addition, the proposal will most definitely increase regulatory burden and costs to each FHLB and its members with no economic value to potential or current homeowners. If these are the goals of this proposal then I truly believe those objectives will be achieved in a very short period of time.

The Federal Housing Finance Agency proposal returns each FHLB to the role of a regulator. This will help create adverse relationships between the members and their regional FHLB. Advance business will decrease. Liquidity for housing will decrease as well as much needed funds used by FHLB members to stoke the fires of an economic recovery. Income for each FHLB and its members will decrease with part of the result being a decrease in AHP funds. So in essence the proposal hurts the people that it's supposed to help.

This type of over regulation has to stop or we are never going to get out of the economic mess that all of us on the frontline are dealing with on a daily basis. Scrap the proposal period. There is absolutely nothing that will come from this except satisfying somebody's or some group's academic social economic theory while unnecessarily hurting a whole lot of people and entities who interact with the FHLB System.

Sincerely,

Stephen D. Hailer
President, CEO

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