



Lee R. Gibson  
*Chairman of the Board of Directors*

8500 Freepoint Parkway South  
Suite 100  
Irving, Texas  
75063-2547

P.O. Box 619026  
Dallas, Texas  
75261-9026

**214-441-8500**  
fax 214.441.8052

May 31, 2011

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

RE: RIN 2590-AA42; Incentive-Based Compensation Arrangements

Dear Mr. Pollard:

The Federal Home Loan Bank of Dallas (the "Dallas Bank") Board of Directors appreciates this opportunity to comment on the proposed rule on incentive-based compensation ("Proposed Rule") under Section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") issued jointly by the Federal Housing Finance Agency ("FHFA"), the Office of the Comptroller of the Currency ("OCC"), the Federal Reserve Board ("FRB"), the Federal Deposit Insurance Corporation ("FDIC"), the Office of Thrift Supervision ("OTS"), the National Credit Union Administration ("NCUA") and the Securities and Exchange Commission ("SEC") (collectively, the "Agencies").

The Board of Directors of the Dallas Bank agrees with the views expressed in the joint comment letter of the Federal Home Loan Banks (the "Banks"). We want to further emphasize our view that the Banks' incentive compensation programs are fully covered by existing laws and regulations.

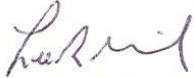
The Board of Directors also takes this opportunity to emphasize to you the importance with which we approach all aspects of our responsibilities related to executive compensation. The Dallas Board has been and continues to be fully engaged in all matters pertaining to executive compensation.

In addition, based on its cooperative nature, member representatives constitute a majority of a Bank's board of directors – which builds into the Bank's compensation decision-making a level of discipline that does not exist at the other covered financial institutions.

This leads to a dramatic difference in risk related to compensation practices, which is consistent with our view that the Banks should not be included in the Proposed Rule.

We respectfully request that the Agencies' review the existing laws and regulations cited in the System comment letter. We believe that such review will lead to the conclusion that the Banks should not be included in the Proposed Rule.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lee Gibson". The signature is fluid and cursive, with the first name "Lee" being more prominent than the last name "Gibson".

Lee Gibson  
Chairman of the Board of Directors