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B. Dan Berger
President & Chief Executive Officer

National Association of Federal Credit Unions | www.nafcu.org

September 4, 2014

The Honorable Melvin L. Watt
Director
Federal Housing Finance Agency
400 Seventh Street, SW
Washington, DC 20024

RE: Request for extension of the comment period, proposed rule on membership requirements for Federal Home Loan Banks

Dear Director Watt:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I write to you to request additional time to comment on the Federal Housing Finance Agency's (FHFA) proposed rule regarding revisions to the membership requirements for Federal Home Loan Banks (FHLBs), RIN 2590-AA39. The proposed rule was issued on September 2, 2014, and is open for a 60 day comment period following its publication in the Federal Register. This proposal is complex and could have lasting impact on credit unions and their ability to establish and maintain membership in FHLBs. NAFCU request that the comment period for this proposed rule be extended by an additional 60 days, in order to provide sufficient time for credit unions to assess the full impact of the proposed rule and provide meaningful feedback.

Many credit unions are members of FHLBs, and the FHLBs provide a valued array of services to credit unions, including serving as a vital source of liquidity. The FHFA issued an advance notice of proposed rulemaking (ANPR) on eligibility requirements for FHLBs December 27, 2010, with a 90 day comment period, and NAFCU provided comments on the ANPR on March 25, 2011. However, a long period of time has passed since this ANPR, and credit union membership in FHLBs continues to grow. As of the end of the second quarter of 2014, 19% of all credit unions are members of an FHLB. These credit unions represent 75.8% of the total credit union assets. Furthermore, credit union membership in FHLBs has increased in recent years, in 2007 11.4% of credit unions were members of an FHLB representing 61.7% of total credit union assets.

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While membership of credit unions in FHLBs has grown, this growth, and the maintenance of membership in FHLBs, only underscores the need to ensure that the eligibility requirements for membership in FHLBs are set appropriately. Given the importance of this rulemaking, and the impact that it could have on credit unions, we feel that an extension of the comment period of an additional 60 days for this proposal would be appropriate.

Should you have any questions or would like to discuss these issues further, please feel free to contact me or Michael Coleman, NAFCU's Director of Regulatory Affairs at mcoleman@nafcu.org or (703) 842-2244.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger", with a stylized flourish at the end.

B. Dan Berger
President and CEO
National Association of Federal Credit Unions

cc: The Honorable Debbie Matz, Chairman, National Credit Union Administration
The Honorable Richard Metsger, Board Member, NCUA
The Honorable Mark McWatters, Board Member, NCUA