

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA39  
Federal Housing Finance Agency - Fourth Floor  
1700 G Street, NW  
Washington, D.C. 20552

Re: Advance Notice of Proposed Rulemaking and Request for Comments – Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

All 14 members of the board of directors of the Federal Home Loan Bank of Topeka appreciate the opportunity to comment on the Federal Housing Finance Agency's (FHFA) Advance Notice of Proposed Rulemaking (ANPR) on membership.

The FHFA is considering requiring FHLBank members to satisfy membership requirements not currently set forth in the Federal Home Loan Bank Act or implementing regulations.

The regulatory changes the FHFA is considering would make it more difficult for many financial institutions to obtain and maintain access to FHLBank liquidity. Stricter requirements will call into question the ability of members to borrow under all future economic scenarios. The changes will also discourage potential members from joining, inhibiting the ability of FHLBanks to serve the housing and community development needs of their districts. Of particular note is how the suggested changes would prove burdensome to small and medium sized members – the almost exclusive customer base served by the Federal Home Loan Bank of Topeka – at a time when they are already subject to many new regulatory requirements.

Instead of helping the nation's economy to further recover, the proposed changes could limit access to low-cost FHLBank funding. Indeed, the proposal is an example of the mixed messages that Washington, D.C. is sending to the nation's community banks, credit unions and insurance companies.

The ANPR fails to provide any compelling reason for imposing stricter membership regulations, and it does not present any information showing there is a problem with current membership rules. The ANPR also fails to cite a benefit it hopes to achieve by changing the membership rules. Additionally, the FHFA's annual report to Congress on the state of the FHLBanks did not note any problems with the implementation of these rules.

Any changes to the FHLBanks' membership or mission – especially changes that would restrict membership eligibility or narrow the FHLBanks' mission – should come first from Congress, particularly at a time when Congress and the Administration are beginning to examine the issue of the future of housing finance. When Congress has examined the FHLBanks in the past, the result has been to broaden, rather than contract, the role of the FHLBanks. This indicates that the ANPR actually contradicts the past Congressional tendency to statutorily increase the field of FHLBank membership.

For these reasons, the board of directors of the Federal Home Loan Bank of Topeka respectfully requests that the ANPR be withdrawn from consideration. Thank you for considering these comments.

Sincerely,

Ronald K. Wentz, Chair  
Harley D. Bergmeyer  
William Brush  
James R. Hamby  
Andrew C. Hove, Jr.  
Richard S. Masinton  
Mark W. Schifferdecker

Robert E. Caldwell II, Vice Chair  
Michael M. Berryhill  
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Thomas E. Henning  
Jane C. Knight  
Neil F. M. McKay  
Bruce A. Schriefer