



March 28, 2011

Dear Mr. Pollard:

The Federal Housing Finance Agency (FHFA) has requested comments on an advance notice of proposed rulemaking (ANPR) in which the agency has expressed a desire to review current Federal Home Loan Bank membership requirements. On behalf of the Credit Union Association of Oklahoma, I am submitting the following comments.

The ANPR does not present any information showing that there is a problem with current FHLBank membership rules, and the ANPR does not describe why new membership rules are necessary. The ANPR does not cite a benefit the FHFA hopes to achieve by changing its membership rules. Even the Finance Agency's annual reports to Congress on the state of the FHLBanks have not noted any problems with the implementation of membership rules.

The regulatory changes the FHFA is contemplating would make it more difficult for some financial institutions, including credit unions, to access liquidity through their FHLBank. One effect of this will be to devalue membership for existing FHLBank members while discouraging potential members from joining. These changes could be especially burdensome to the FHLBanks' credit union members.

Requiring members to meet ongoing mortgage requirements would add uncertainty to FHLBank membership. Members could never be certain of their ability to meet these tests and, therefore, maintain their access to FHLBank liquidity, particularly in times of financial stress. This alone would destabilize a key premise of the FHLBank System, the reliability of affordable liquidity.

For these reasons, I urge the FHFA to withdraw its membership ANPR. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Jones", written in a cursive style.

Gary Jones
President/CEO