January 9, 2015

Alfred M. Pollard, Esq., General Counsel

Attention: Comments/RIN 2590-AA39

Federal Housing Finance Agency

400 Seventh Street SW, Eighth Floor

Washington, D.C. 20024

**Re: Notice of Proposed Rulemaking; Request for Comments – Members of the Federal Home Loan Banks**

Dear Mr. Pollard:

​ We are submitting this comment to express our concerns about the Federal Housing Finance Agency’s (“FHFA”) notice of proposed rulemaking and request for comments on “Members of the Federal Home Loan Banks” published on September 12, 2014. For the reasons described below, we respectfully request the withdrawal of this proposal.

Altra Federal Credit Union was chartered in 1931 and has been a member of the Federal Home Loan Bank of Chicago for almost 20 years We recently achieved the $1 billion mark in Total Assets. We are located in Onalaska, WI and have been the number one first and second mortgage lender in the La Crosse area for over 10 years. We also provide mortgage loans in our other locations, primarily Tyler, TX and Clarksville, TN, but also to our members in all 50 states. We are a full service financial institution including Member Business Loans of over $120 million.

As a shareholder and customer, we greatly value our membership in the FHLB of Chicago For a credit union such as ours, access to FHLB of Chicago advances is critically important because the liquidity allows us to offer a variety of loan products to our members that we might not otherwise be able to offer. We have taken advantage of The FHLB of Chicago’s products primarily in medium term and long term advances as well as the Down Payment Plus® Program. Longer term advances have helped us offset the interest rate risk associated with our mortgage lending. The Down Payment Plus® Program has helped many of our members get into the home of their dreams.

The proposed rule concerns us because it would impose, for the first time ever, on-going requirements for our credit union to meet as a condition of remaining a member of the FHLB of Chicago. The proposal would require us to hold at least 10 percent of our total assets in residential mortgage loans at all times. An additional test would require the maintenance of at least 1 percent, and maybe as much as 5 percent, of our assets in a separately defined group of long-term home mortgage loans. Failure to meet either proposed test would result in the eventual termination of our membership. While this is not currently an issue for Altra, we are concerned about the future ability to manage our balance sheet as we see fit, not be told we need to have mortgage assets at a certain level to retain our membership.

We appreciate the consideration of our views.

​ Sincerely,

Mary Isaacs, EVP/CFO

Altra Federal Credit Union