

December 3, 2014

To: Members of the United States Senate

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: Federal Home Loan Bank Membership

Recently, the Federal Housing Finance Agency (FHFA) proposed new rules which would dramatically change the membership requirements for joining or maintaining membership in the Federal Home Loan Bank System.

This proposal both exceeds the authority granted to FHFA by Congress in establishing membership in the Federal Home Loan Bank System and runs counter to the overall direction that Congress has taken with regard to the FHLBs.

The proposed changes would limit or call into question membership eligibility in the FHLB System for many financial institutions. It would limit liquidity for lending to home buyers and communities across the nation, and would threaten the stability of the FHLB System.

Senators Joe Manchin (D-WV) and Mark Kirk (R- IL) are coordinating a [joint letter](#) to the FHFA urging them to reconsider this proposal. The American Bankers Association urges you to join in this effort and sign on to the Manchin/Kirk letter.

Thank you.