

January 23, 2019

**Submitted Electronically**

Alfred M. Pollard, General Counsel  
Federal Housing Finance Agency  
Eighth Floor  
400 Seventh Street, SW  
Washington, D.C. 20219

Re: Proposed Rulemaking and Request for Comments / RIN 2590-AA82  
Federal Home Loan Bank Housing Goals Amendment Comments

Dear Mr. Pollard:

The Illinois Bankers Association appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed amendments to the housing goals regulation applicable to the FHLBanks (the Proposal), which was published on November 2, 2018. We recognize that the FHLBanks' mission to support affordable housing extends to the Acquired Member Asset (AMA) programs and appreciate the simplification, flexibility, and the phase-in period the FHFA has provided in the Proposal. However, we also believe there are some areas where clarification and adjustments are needed.

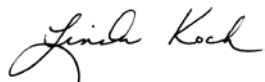
We agree with the Proposal's recognition that participation by smaller FHLB members should be a focus of the AMA programs, but we are concerned that a static percentage will ignore the continuing changes in the mortgage market. We respectfully request clarifying in the amendments the definition and timing of the measurement for qualifying as a member that meets the small member participation housing goal.

With respect to the definition of "CFI asset cap," the reference to community financial institutions (CFI), as drafted, creates uncertainty regarding whether a member institution must actually qualify as a CFI. We believe the FHFA's intent is that all types of eligible Participating Financial Institutions (PFIs) — banks, thrifts and credit unions — should qualify as a small member, not limited to only those that meet the CFI classification. As such, we recommend the definition of "CFI asset cap" be revised to "Housing goals asset cap" or something similar, while retaining the definition by cross-referencing to the CFI asset cap definition in §1263.1 of the AMA regulation.

Additionally, we believe the Proposal should use a three-year rolling average calculation of a member's assets, based on its latest regulatory filing at the end of each calendar year, in order for the member to qualify as a small member for the entire fiscal year. Thus, a member that qualifies as a small member at the beginning of the year based on prior year-end assets would continue to be counted as a small member for the entire fiscal year. This method would eliminate the uncertainty for the member and the FHLBank while allowing for more transparent and clear tracking of qualifying PFIs.

We appreciate your consideration of our comments.

Sincerely,



Linda Koch  
President

The Illinois Bankers Association is a full-service trade association dedicated to creating a positive business climate that benefits the entire banking industry and the communities they serve. Founded in 1891, the IBA brings together state and national banks and savings banks of all sizes in Illinois. Collectively, the Illinois banking industry employs more than 105,000 people in over 4,300 offices across the state.