



June 22, 2020

Mr. Andre D. Galeano, Deputy Director
Federal Housing Finance Agency
Division of Federal Home Loan Bank Regulation
400 7th Street, NW, 7th Floor
Washington, DC 20219

RE: Request for Input; FHLB Membership

Dear Deputy Director Galeano,

The Ohio Credit Union League (OCUL) represents the collective interests of Ohio's 257 credit unions and their more than three million members. Of those 257 credit unions, 141 are federally-chartered; 69 state-chartered, federally-insured; and, 47 state-chartered, privately-insured. There are currently 84 Ohio credit unions participating in the Federal Home Loan Banking System ("System").

Ohio's credit unions benefit greatly from their membership in the System. When compared to banks, credit unions have generally much smaller asset sizes and therefore disproportionately benefit from the low-interest liquidity advances that the System provides. Credit unions are also uniquely positioned in terms of meeting the requirements and spirit of FHLB membership. They are committed to providing affordable housing for their members and have been stalwart champions of stability and soundness throughout their distinctive history. Therefore, it is vitally important that any new regulation in response to the present RFI not dilute credit unions' access to liquidity, nor increase the burden of obtaining and maintaining membership within the System.

Additionally, OCUL supports and agrees with the following positions from the FHLBanks' comment letter dated April 22, 2020:

- No regulatory action in response to the RFI should narrow the congressionally established mission of the FHLBanks, which is to generally provide liquidity in the form of advances to all members, secured by eligible collateral.
- No regulatory action in response to the RFI should adversely impact the membership eligibility of, or full usage of, FHLBank products and services by existing permanent members.
- Congress, and not the FHFA, is responsible for deciding what type of entity is eligible to be admitted to FHLBank membership (subject to meeting the requirements for membership).
- Any expansion of membership should be done with the safety and soundness of the System as the paramount principle.
- Classes of Entities not explicitly authorized by Congress for membership should not be allowed to become members through a conduit, regardless of the extent to which they are engaged in housing finance, unless Congress amends the Bank Act to authorize their membership.
- Any new entrants must be subject to a supervisory regime of prudential regulation at least equivalent to that applicable to all currently-eligible members (other than non-depository Community Development Financial Institutions).
- Any new entities considered for membership should have a clearly documented and demonstrated nexus to the housing and/or community development mission of the System at the time they join.
- The FHLBanks should retain discretion in qualifying eligible applicants for membership.

Ensuring that credit union membership access and full participation in the System is preserved and protected, especially as financial cooperatives navigate the present health and financial crises, is an important contributor to the personal and economic recovery of Ohioans. Ohio's credit unions will



remain strong FHLBank members and collaborators on federal efforts to provide relief to more than three million credit union members. We appreciate your invitation to comment on this important issue. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,

A handwritten signature in black ink, appearing to read 'Paul L. Mercer'.

Paul L. Mercer
President

A handwritten signature in black ink, appearing to read 'Chris Noble'.

Chris Noble
Regulatory Counsel