FHLBank ATLANTA
A FEDERAL HOME LOAN BANK

Jill Spencer
Executive Vice President
General Counsel and
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November 7, 2008

BY U.S. MAIL AND EMAIL

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Re: FDIC RIN 3064-AD34
(Treatment of Certain Claims On, or Guaranteed By, Fannie Mae and Freddie Mac)
comments@fdic.gov

Office of the Comptroller of the Currency
250 E. Street SW, Mail Stop 1-5
Washington, DC 20219
Re: OCC Docket Number OCC-2008-0016
regs.comments@occ.treas.gov

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington, DC 20551
Re: Docket No. R-1335
regs.comments@federalreserve.gov

Regulation Comments, Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: OTS-2008-0014

Dear Sir or Madam:

This letter is a comment in response to the publication of a proposed rule by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision (collectively, the "Agencies") to allow a banking organization to assign a 10 percent risk

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weight to claims on, and the portion of claims guaranteed by, Fannie Mae or Freddie Mac. The Agencies have requested comment on the potential effects of this proposal on other banking organization claims on GSEs, such as debt issued by the Federal Home Loan Banks ("FHLBanks"), which, if the rule is adopted as proposed, would continue to be assigned a risk weight of 20 percent. We believe that any final rule adopted by the Agencies should afford similar treatment for obligations issued by the FHLBanks. Otherwise, the proposal may have unintended adverse consequences for the banking system during this time of economic stress.

We are concerned that the proposed rule suggests that the United States government does not support the FHLBanks and their mission to the same degree as Fannie Mae and Freddie Mac. In our view, such a perception would be inaccurate and misleading. Congress created a new regulator, the Federal Housing Finance Agency ("FHFA"), to oversee all of the housing GSEs. At the time that the new regulator took control of Fannie Mae and Freddie Mac, the Director of the FHFA remarked that the FHLBanks are performing remarkably well and are well capitalized. The United States Treasury is providing the same temporary backstop funding facility to the FHLBanks as Fannie Mae and Freddie Mac through the GSE Credit Facility. Finally, the Federal Reserve Bank of New York is providing support for the FHLBanks, as well as Fannie Mae and Freddie Mac, by purchasing their discount notes in recent open market operations.

Our primary concern is that this proposal will result in increases in the cost of borrowing for the FHLBanks and, consequently, in advances available from the FHLBanks. Thousands of local banks depend upon access to low-cost liquidity from the FHLBanks. We believe it would be counterproductive to adopt any proposal that would have the effect of raising the cost of funds for banks in this troubled market. If investors believe that the Agencies view FHLBanks as posing greater risk than Fannie Mae and Freddie Mac, they will demand higher yields to purchase FHLBank bonds, resulting in higher advance rates during a period when the banking industry is faced with the challenge of supporting housing finance and economic growth under very difficult circumstances in the credit markets.

We strongly urge the Agencies to afford the same treatment to the debt securities of all housing GSEs under the risk-based capital rules. We believe this course of action reflects the parity that Congress intended for the housing GSEs.

Sincerely,

Federal Home Loan Bank of Atlanta

Jill Spencer
Executive Vice President, General Counsel and Chief Strategy Officer