



March 11, 2011

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency - Fourth Floor
1700 G Street, NW
Washington, D.C. 20552

Re: Advance Notice of Proposed Rulemaking; Request for Comments – Members of the FHLBanks

Dear Mr. Pollard:

The Federal Housing Finance Agency (FHFA) has requested comments on an advance notice of proposed rulemaking (ANPR) in which the agency has expressed its desire to review current Federal Home Loan Bank (FHLBank) membership requirements. On behalf of Upland Mutual Insurance, Inc. I am submitting this comment on the ANPR.

From the perspective of insurance companies, the questions posed in the ANPR are troubling. They suggest that the FHFA is considering requiring FHLBank members to maintain a demonstrable involvement in residential mortgage lending and otherwise comply with the statutory requirements for membership on a continuing basis, rather than only when they join. If the 10 percent residential mortgage loan requirement is not applied to insurance companies, the questions suggest that the FHFA is considering establishing for insurance companies a required level of mortgage-related assets that may be deemed to constitute a sufficient commitment to housing finance for FHLBank membership.

Mr. Pollard, Upland Mutual is a small company that has served Kansans since 1896. We insure homes, farms and autos. We are one of more than 200 insurance companies who are members of the FHLBanks. We joined just last year to secure a line of credit using CMO's as collateral, which we did not previously hold in our portfolio. While small in the overall scope, our investment in CMO's increases the liquidity of the home financing market and fulfills the FHLBank's mission of facilitating home lending. As a combined investment, insurance companies historically have played and continue to play a significant role in the United States housing market and economy in communities of all sizes.

No party has presented a compelling reason for imposing new membership rules on any existing or potential member, particularly insurance companies. Change for the sake of change benefits no one. The impact of the proposed change is difficult to gauge and could have significant undesirable impact on our economy at a point where it is agreed by all we need to encourage economic growth.

For the reasons stated above and others, we respectfully request that the FHFA withdraw the ANPR proposed changes.

Respectfully,

A handwritten signature in black ink, appearing to read "Chris P. Brown", is written over a light blue horizontal line.

Chris P Brown
President