

August 31, 2012

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Re: Notice of Proposed Rulemaking – Maintaining Access to Emergency Liquidity

Dear Ms. Rupp:

On behalf of the Federal Home Loan Bank of Topeka (FHLBank Topeka), I appreciate the opportunity to comment on the notice of proposed rulemaking (NPR) published by the National Credit Union Administration (NCUA) in the Federal Register on July 30, 2012.

I applaud the NCUA for recognizing in its NPR the critical role the FHLBanks play in providing liquidity to the credit union industry. However, I disagree with the NPR in that it does not include FHLBank advances in its list of contingent federal liquidity sources.

A recent Federal Reserve study found that the FHLBank System was the largest provider of liquidity to domestic depository institutions during the recent financial downturn, eclipsing even lending from the Federal Reserve Discount Window. From June 2007 through September 2008, the FHLBanks reliably supported their credit union members by increasing advances from \$18.9 billion to \$43.5 billion, an increase of 130 percent. This increase in FHLBank advances to credit unions was greater than the total amount of liquidity provided by the Central Liquidity Facility during that same period.

Not including FHLBank advances as a contingent federal liquidity source unnecessarily prevents FHLBank member credit unions from utilizing a reliable existing relationship to access emergency liquidity. Amending the final rule to recognize FHLBank membership would motivate many credit unions to become a member of an FHLBank, which the NCUA suggests elsewhere in the NPR. As a federally-chartered entity, the FHLBanks were established to serve as a reliable source of liquidity to their members, even in emergency situations; a purpose which is entirely consistent with the goal of the NCUA to ensure credit unions have appropriate access to emergency liquidity.

We at FHLBank Topeka are very proud of the relationship we enjoy with our 73 credit union members from the states of Colorado, Kansas, Nebraska and Oklahoma. We are dedicated to providing liquidity to all our members, in good as well as challenging economic environments. Excluding the FHLBanks from the list of contingent federal liquidity sources available to credit unions is contrary to the demonstrated performance of the FHLBank System.

On behalf of FHLBank Topeka, I thank you for considering our comments. If you have any questions, please feel free to contact me at [Andy.Jetter@FHLBTopeka.com](mailto:Andy.Jetter@FHLBTopeka.com) or 785.438.6001.

Sincerely,



Andrew J. Jetter  
President and CEO