



June 2, 2006

Ronald A. Rosenfeld
Chairman
Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Re: Federal Housing Finance Board. Proposed Rule: Federal Home Loan Bank Director Elections. RIN Number 2069-AB31. Docket Number 2006-04

Dear Mr. Rosenfeld:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions (FCUs), I am responding to the Federal Housing Finance Board's (FHFB) proposed rule and request for comment regarding amendments to 12 C.F.R. Part 915. The FHFB has requested comment on rule amendments intended to enhance the corporate governance of each Federal Home Loan Bank (Bank). Specifically, the FHFB proposes to authorize individual Banks to notify members during the board member nomination and election process of the expertise and range of skills best suited to administer the affairs of the bank.

NAFCU believes that informed and knowledgeable directors are at the core of good board governance, which is in turn fundamental to the success and safety and soundness of financial institutions. Therefore, NAFCU supports the FHFB's proposal to authorize the Banks to notify members during the nomination and election process of the expertise and skills which make for strong, knowledgeable and informed directors. However, NAFCU encourages the FHFB to standardize the information that the Banks provide to their members about the expertise and skills that are useful for a board member to possess. Standardization would help to ensure that individual Banks' do not focus exclusively on a narrow range of technical expertise and skills at the expense of other valuable characteristics.

One such characteristic is the diversity of financial institution charter types represented on the Bank boards. Our research shows that there were 846 credit union FHLB members at the end of 2005, approximately ten percent of the total FHLB; yet,

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credit unions are not represented on *any* of the Federal Home Loan Bank boards. Credit unions are member-owned, not for profit, non-stock depository financial institutions managed by volunteer boards. As such, they are unique among financial institutions and possess valuable information about the financial needs of existing and potential homeowners among the more than 86 million credit union members living across the nation. In view of this deficit, NAFCU strongly encourages the FHFH to consider diversity regulatory requirements to achieve credit union representation on FHLB boards.

Should you have any questions or require additional information please call me or Bill Hall, NAFCU's Associate Director of Regulatory Affairs, at (703) 522-4770 or (800) 336-4644 ext. 268.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred R. Becker, Jr.", written in dark ink.

Fred R. Becker, Jr.
President/CEO

FRB/whh