August 11, 2026

Mr. Clinton Jones
General Counsel
Attention: Comments/RIN 2590-AB52
U.S. Federal Housing (FHFA)
400 Seventh Street, SW
Washington, DC 20219

Re: New Business Activity Regulation Repeal of 12 CFR Part 1272 - RIN 2590-AB52

Dear Mr. Jones,

On behalf of the Council of Federal Home Loan Banks ("Council"), and with the unanimous support of the 11 Federal Home Loan Banks ("FHLBanks") and the Office of Finance ("OF"), I am writing to provide comments on the U.S. Federal Housing's ("FHFA") notice of proposed rulemaking ("NPR") repeal of the Federal Home Loan Bank New Business Activity regulation, 12 C.F.R. Part 1272 ("Regulation").

The Council supports the FHFA's proposal to repeal the Regulation. The Council commends the FHFA for undertaking a review of its regulations to ensure they remain necessary, effective, and consistent with current law, while reducing unnecessary regulatory burdens.

As FHFA recognizes in the NPR, the Regulation no longer provides meaningful supervisory value. Over time, the FHLBanks have developed substantial expertise in managing the risks associated with their products and services. At the same time, the FHLBanks remain subject to comprehensive prudential supervision by FHFA, including ongoing examination and monitoring activities that encompass the development of new products and services.

The NPR appropriately notes that the formal New Business Activity Notice process largely duplicates oversight that already occurs through regular supervisory engagement. In practice, the FHLBanks routinely engage FHFA early in the development of potential new business activities to identify and address legal, policy, operational, and safety and soundness considerations. As a result, the Regulation review process often requires additional documentation and review after substantive regulatory engagement has already taken place.

Repealing the Regulation would therefore eliminate an unnecessary and duplicative regulatory requirement, reduce administrative costs for both FHFA and the FHLBanks, and improve the ability of the FHLBanks to respond to evolving member needs. The current regulation can delay implementation of beneficial products and services and may discourage innovation that could further the FHLBanks' mission of providing liquidity and supporting housing finance and community development.

Importantly, repeal of the Regulation would not diminish the safety and soundness of the FHLBanks. FHFA would continue to exercise supervisory authority over new activities through its examination and oversight functions, and the FHLBanks would continue to operate within their statutory authorities and established enterprise risk management frameworks.

For these reasons, the Council strongly supports FHFA's proposal to repeal the Regulation and appreciates the FHFA's efforts to modernize its regulatory framework, eliminate unnecessary regulatory burdens, and promote greater efficiency and innovation within the FHLBank System.

The Council thanks the FHFA for its consideration of its comments.

Sincerely,

Ryan Donovan
President and Chief Executive Officer
Council of Federal Home Loan Banks

cc:
Lindsay Spadoni, Associate General Counsel, Office of General Counsel