FHLB support comment to FHFA submitted 2024-07-08

As a Board Member of Success Bank, an Iowa state-chartered community bank, I want to express support for the Federal Home Loan Bank (FHLB) and voice opposition to changes related to this important source of liquidity for our community.

As a small rural community bank, located in a county with a population of approximately 9,000 people, Success Bank depends on the FHLB for important liquidity to finance our agricultural and commercial business customers in addition to our many consumer mortgage customers. The local, on-Balance Sheet consumer mortgage loans total over 19% of bank assets (over $49mm) and many of these rural consumer housing loans do not qualify for secondary market lending. The bank is an active local lender with portfolio totals over 85% of bank assets.

Success Bank’s membership in FHLB was authorized by Congress as a liquidity source for the purpose of serving communities that do not have access to large market funding. Since Success Bank became a member of FHLB in 2005, the bank has successfully grown assets from $70mm to over $250mm in 2024. During this time, Davis County has made economic strides, advancing from the federal classification of "low-to-moderate income" to "medium income". The long-missing community vitality is now evident by both private and public real estate investment throughout this small community.

Please do not try to change the FHLB system, mission, and community bank access that Congress created to allow our locally owned bank to serve this community. This liquidity source, created by Congress, is a critical source of life for Success Bank. Only Congress has the authority to alter the system they so carefully created.

Sincerely,

Kimberley Lehrman, Board Member

Success Bank