July 2, 2024

Federal Housing Finance Agency

To whom it may concern,

Re Federal Home Loan Bank (FHLB) system at 100: focusing on the future.

Someone within your agency must be trying to justify their job or as my late father used to call it “white collar welfare.” In my 39 years as an independent community banker the Federal Home Loan Bank of Seattle, and now Des Moines, has stood by the two banks I have worked for as a funding source that we have used on and off over the years. At present, we are stressed for liquidity and our FHLB is standing with us, supplying us with our liquidity needs.

FHLB was created by Congress for a reason and for over 90 years, FHLB has supported community banks like ours. The system works well and there is no need for change.

I do not see any need for a new regulatory statement of the system’s mission to better reflect its appropriate role in the housing finance system. The FHLB supports housing for both the low- and middle-class households. In addition, if you are trying to evaluate mission achievements, I will tell you as a community bank banker the FHLB has proven to be a successful partner, which gives us strength and security to operate our bank. To hand out incentives to the larger members who have a stronger and demonstratable connection to the FHLB systems is discriminatory to the smaller community banks. Banks, even with the smallest asset sizes, can be a beneficial member of the FHLB system. If anything, the smaller community banks should be incentivized as there are still many one-bank towns and these banks having a relationship with a FHLB is a lifeline.

I strongly believe in what Congress did 90 years ago by creating the Federal Home Loan Bank system and that the FHFA should back off. Any proposed changes could be harmful to our present banking system.

Sincerely,

A. J. King

CEO and chairman, Three Rivers Bank of Montana