



October 14, 2022

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
Constitution Center
400 7th Street SW
Washington DC, 20219

Dear Director Thompson:

First State Bank of St. Charles, MO is a \$460 million community bank that serves both the St. Louis and Kansas City metropolitan areas. Our dedication to the success of local small businesses and families is reflected in our strength and longevity in our markets. We continually reimagine what it means to be a community bank and consider how we can rise to meet the moment and help make a positive impact in the markets we serve, particularly those that are the most vulnerable. It is clear that the partnerships we develop enable us to do just that. Every partner, from our technology vendors to our regulators to our local Federal Home Loan Bank, provides a piece of the foundation we need to allow us to create and build a better future for our customers. I will focus on the importance of our relationship with our local FHLB.

For the last 155 years, First State Bank of St. Charles has weathered many economic cycles. Since the Federal Home Loan Bank's creation, it has allowed regulated banks like ours access to the necessary liquidity we need in all economic cycles. This has created a layer of stability to the broader financial system. Additionally, our ability to partner with the FHLB through the Home\$tart and Affordable Housing Program has allowed our customers homeownership opportunities that many believed were out of reach.

The investment of capital that our regulated institution has made to the FHLB System over the years clearly reaps many benefits to our community. I am deeply concerned that our investment could potentially be at risk if membership criteria was changed and less regulated entities, or those without collateral to back their borrowing, were allowed access to the System.

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Looking to the future, we see continued stability for the bank, with new innovations, new ideas of what it means to be a local bank, and new opportunities to be of service to all areas of the communities we serve. We need the FHLB to be our strong and stable source of funding and a true community partner to allow that happen.

Thank you for the opportunity to comment on the future of the Federal Home Loan Bank System.

Sincerely,

A handwritten signature in black ink that reads "Luanne Cundiff". The signature is written in a cursive, flowing style with a large initial 'L' and a long, sweeping tail on the 'f'.

Luanne Cundiff
President & CEO