



October 21, 2022

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

RE: FHFA Review of the Federal Home Loan Bank System

Dear Director Thompson:

Thank you for this opportunity to provide comments related to the FHFA's review of the Federal Home Loan Bank (FHLB) system. I appreciate the FHFA's leadership and oversight to ensure that the FHLB system remains a reliable funding source for banks, like Great Southern Bank, for years to come. Great Southern, like many traditional community banks in the country, is extremely interested in this review process.

Headquartered in Springfield, Missouri, Great Southern Bank has assets of \$5.7 billion and provides customers with a full range of financial services through a 92-branch network in Missouri, Iowa, Kansas, Minnesota, Nebraska and Arkansas. The Bank also originates commercial loans from offices in Atlanta, Charlotte, Chicago, Dallas, Denver, Omaha, Phoenix and Tulsa. Our core lending business is centered on commercial real estate (including multifamily real estate), one- to four-family mortgage and commercial and residential construction, while also providing small business and consumer loans. We fund these loans by attracting deposits from the general public, borrowing from the FHLB of Des Moines and accepting brokered deposits. Our primary regulators are the Missouri Division of Finance and FDIC. Great Southern Bank is a subsidiary of Great Southern Bancorp, Inc., a public company listed on NASDAQ, whose primary regulator is the Federal Reserve.

The FHLB system plays a pivotal role in the U.S. financial industry. The liquidity backstop as provided by the FHLB system serves as a bedrock of the financial system and is paramount in managing an effective community financial institution. The FHLB and its services are central to many banks' liquidity, interest rate risk and asset/liability management operational strategies. Material changes to the FHLB system could significantly alter our business plan and day-to-day operations.

For the vast majority of Great Southern's 100-year history, the FHLB has been a reliable and efficient funding partner through many, and sometimes very challenging, economic cycles. Our relationship with the FHLB of Des Moines is integral to our current and future banking operations. We benefit from access to a variety of products and services designed to help lower funding costs, mitigate risk, improve asset and liability management and meet community credit needs. Currently, we have a \$1.1 billion borrowing line available with the FHLB of Des Moines. This is an essential source of stable and reliable funding for Great Southern, and many, many other banks across the country count on the FHLB in a similar manner.

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Due to the high level of competition for deposits in our markets, as well as changing funding needs related to economic cycles, we have from time to time utilized a sizable amount of FHLB advances and overnight borrowings to help fund our asset base. FHLB advances may be used on a short-term basis to compensate for seasonal reductions in deposits or deposit inflows at less than projected levels and may be used on a longer-term basis to support expanded lending activities. This vital funding source, as well as other alternative sources, allows us to create either fixed or variable funding, as desired, which more closely matches the interest rate nature of much of our loan portfolio. It also gives us greater flexibility in increasing or decreasing the duration of our funding. If our FHLB borrowing capacity were reduced or eliminated, it would have a material adverse impact on our ability to fund additional real estate loans and a material adverse effect on our business, our customers and the communities we serve.

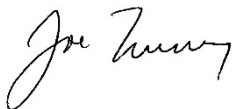
I also understand that member eligibility and requirements are under consideration as part of the review. According to reports, there have been proposals to open membership to less-regulated or non-regulated entities. These proposals should be considered very cautiously because of the increased credit and other risks that could be introduced into the system. This would not be in the best long-term interests of the FHLB system or its investors.

At Great Southern, we firmly believe that our bank can only be as strong as the communities we serve. Our membership in the FHLB of Des Moines helps us support our local communities to make them better places to live, work and play. FHLB's annual contribution of 10% of its net income for affordable housing grants has had an impact in our communities throughout the years.

All organizations should be reviewed from time to time to understand their continued relevancy and effectiveness. A regular review of the FHLB system is prudent and should not be excluded. Like any institution under review, it's likely to be found that certain elements of the operation need to be modernized to meet the needs of today and tomorrow, but we believe that a complete overhaul of the FHLB system or its regional structure is not warranted and could cause major harm and disruption. The FHLB system has a unique business model that is efficient, effective, conservative and integral to our banking system.

Thank you again for this opportunity to be heard about the important role we believe that the FHLB plays in our institution, the entire financial system and in thousands of communities across our country. Your consideration is appreciated.

Respectfully and sincerely,

A handwritten signature in cursive script, appearing to read "Joe Turner".

Joe Turner
President & CEO
Great Southern Bank