



Ultima Bank Minnesota

www.ultimabank.com

September 30, 2022

Federal Housing Finance Agency
400th Street SW
Washington, D.C. 20024

Re: Federal Home Loan Bank System at 100: Focusing on the Future

Dear Director Thompson:

Thank you for the opportunity to comment on the future of the Federal Home Loan Bank of Des Moines and FHLBank System. As past president and current chairman of **Ultima Bank Minnesota (UBM)**, I am actively involved in the day-to-day liquidity management of our bank. We rely heavily on the access to funding provided through our lending relationship with FHLB.

UBM is a \$213 million community bank with five locations in northwest Minnesota. We are very active in lending to farms, small businesses and area consumers – especially residential real estate. Our \$26 million line of credit with FHLB provides needed seasonal cash flow to fund our peak loan demand and letters of credit to help us attract large public fund deposits from local school districts, cities and counties. With a loan to deposit ratio of nearly 115%, we are dependent on FHLB for non-core funding, at a reasonable cost, to meet the credit needs of our customers.

In addition to being an active source of credit in the communities we serve, **UBM** contributes substantial funding to area schools, day care and medical facilities. We recently donated \$125,000 to area high schools, \$50,000 to a new non-profit childcare center in Fosston, MN, and are the leading supporter of the First Care Foundation, a regional healthcare foundation providing funding to ensure quality healthcare services are available in rural northwest Minnesota. Our community bank would not be as large or as successful without access to funding through FHLB.

Please consider our example as you conduct your review of the FHLBank system because without FHLBanks, we – and more importantly, the communities we serve – would not be as vibrant or prosperous as we are today. Feel free to contact me or any member of our management team if you would like further information on our relationship with the FHLB.

Sincerely,

Mark Finstad, Chairman
Ultima Bank Minnesota