



March 1, 2023

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

RE: FHFA Review of the Federal Home Loan Bank System

Dear Director Thompson,

On behalf of the South Dakota Bankers Association (SDBA) Board of Directors, we deliver this letter with clear and strong support of the current mission of the Federal Home Loan Bank System (FHLB).

My name is Karl Adam, and I am the president of the South Dakota Bankers Association. I began my 25-year career as a community banker in 1995, serving as a bank officer, president and subsequently the CEO of Dakota State Bank in Blunt, South Dakota. After the merger of Dakota State with First Dakota National Bank in Yankton, South Dakota in 2015, I spent the next five years as market president of First Dakota National Bank in Pierre before joining the SDBA as its president in November of 2020.

As a former community bank leader, and now the leader of the SDBA, I find my knowledge and experience offers a unique position to underscore the vital role the FHLB System provides to not only South Dakota banking institutions, but also a welcome complement to the broader financial services industry.

When serving as a community banker with Dakota State Bank, a sub forty-million-dollar bank, the FHLB served as a much-needed lifeline for many of our correspondent banking needs. Whether it was seeking access to liquidity in search of competitive pricing to meet the need of the ever-changing economic cycles during the Great Recession, or FHLB sponsored programs to benefit the area and communities we serve, the FHLB provided the support and expertise banks depended upon.

Now, as the president of the SDBA, I see firsthand how the FHLB delivers that mission driven goal of providing an exceptional level of service to all our member banks through a wider lens. From mortgage lending to products and services created to meet credit needs of customers, to

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assistance with asset liability management, or funding strategies to help lower funding costs, the FHLB is a wonderful banking partner to assist financial institutions with virtually every need.

On behalf of the SDBA and our members, we thank you for the opportunity to submit comments on the FHLB's pivotal role in providing community-focused financial institutions like ours here in South Dakota with affordable options for our banks and their customers.

As you conduct your review of the FHLB System, please know that it's not just members of the SDBA, but the employers, farmers, school districts and non-profits that rely on our members' expertise, who are also impacted by their ability to access liquidity and other fitting programs through FHLB Des Moines.

Director Thompson, thank you again for allowing the SDBA the opportunity to comment and summarize the value FHLB Des Moines has provided to communities in our state. I invite you to contact me should you have any questions or would like to request additional information about any of comments described above. My contact information is provided below.

Best regards, on behalf of the South Dakota Bankers Board of Directors,

A handwritten signature in blue ink, which appears to read "Karlton Adam".

Karlton Adam
President
South Dakota Bankers Association

