



THE Farmers Bank

March 15, 2023

The Honorable Sandra Thompson  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, D.C. 20218

Dear Director Thompson:

Thank you for your undertaking the “FHLBanks at 100: Focusing on the Future” initiative. While I serve as chair of the FHLBank of Indianapolis, I write in my capacity as President and CEO of The Farmers Bank in Frankfort, Indiana.

Frankfort, the county seat of Clinton County, is a city of less than 17,000 residents, located about an hour northwest of Indianapolis. We are home to two Frito-Lay food processing plants that employ 1,100. Median household income according to the 2020 census was \$46,236, while 14 percent live below the poverty level. 28 percent of our resident are of Hispanic origin. 11.8 percent of our residents, age 25 or older, hold a bachelor’s degree or higher. In short, Frankfort is a wonderful community to live in, but we face significant economic and social challenges.

At The Farmers Bank, we take our role as a community builder to heart, and actively support manufacturers, small business owners, the agricultural sector, as well as local residents. We also play a leadership role in our community, supporting the Boys and Girls Clubs, 4-H, United Way, YMCA and many other organizations in our community.

A huge part of the reason The Farmers Bank can be impactful in our community is our partnership with the FHLBank of Indianapolis. I like to think Congress had our bank in mind when it granted membership to commercial banks in 1989. We use FHLBank advances to support our commercial and mortgage lending, as well as for general balance sheet management purposes. We would be challenged to serve Frankfort as we do without access to credit through the FHLBank of Indianapolis.

We are also an active participant in the FHLBank of Indianapolis’ community investment programs. Since 2017, Farmers Bank has been the recipient of over \$900,000 in Neighborhood Improvement Program (assisting homeowners with deferred maintenance) and Accessibility Modification Program, serving 122 households. Ostler Boar Stud, a family farm in Frankfort, received a grant of \$25,000 through the FHLBank on Indianapolis’ Elevate small business grant



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program. We broke ground on an addiction recovery and treatment facility in part because of a \$500,000 Affordable Housing Program grant in 2020. Together, those programs have had a meaningful impact on the quality of life in Frankfort.

The FHLBanks have evolved since their creation in 1932, as has the financial services sector. As you consider potential changes coming out of your review of the FHLBank system, I would respectfully ask that you be mindful that any legislative or regulatory revisions not impair the value of the partnerships between community banks like The Farmers Bank and the FHLBanks. I wholeheartedly support enhancements that would further strengthen the ability of small community banks like ours to serve local businesses and residents. Support of community-based financial institutions is an important public policy rationale for maintaining a strong, regionally-focused FHLBank System.

Sincerely,

Karen Gregerson  
President and CEO