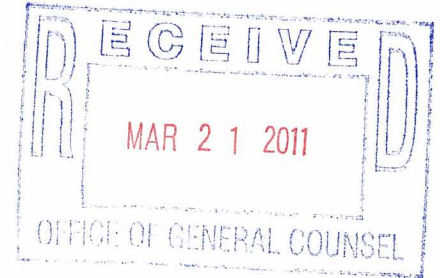


March 16, 2011

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA39  
Federal Housing Finance Agency - Fourth Floor  
1700 G Street, NW  
Washington, D.C. 20552



Re: Advance Notice of Proposed Rulemaking; Request for Comments – Members of the Federal Home Loan Banks

Dear Mr. Pollard:

The Federal Housing Finance Agency (“FHFA”) has requested comments on an advance notice of proposed rulemaking (“ANPR”) in which FHFA has expressed its desire to review current Federal Home Loan Bank (“FHLB”) membership requirements. On behalf of Grinnell Mutual Reinsurance Company (“GMRC”), a member of the FHLB of Des Moines, I am submitting this comment on the ANPR.

From an insurance company perspective, the questions posed in the ANPR are troubling. I understand that the FHFA is considering requiring FHLB members to “maintain a demonstrable involvement in residential mortgage lending and otherwise comply with the statutory requirements for membership” on a continuing basis, rather than only when they join. I further understand that FHFA is considering reversing Congressional intent as set forth in 12 U.S.C. § 1424(a)(2)(A) of the Bank Act by subjecting insurance companies to the requirement that they hold at least ten percent of their total assets in residential mortgage loans, a requirement that applies only to insured depository institutions.

Alternatively, if the ten percent residential mortgage loan requirement is not applied to insurance companies, I understand that the FHFA is considering establishing for insurance companies a required level of mortgage-related assets that may be deemed to constitute a sufficient commitment to housing finance for FHLB membership. Additionally, there might be objective and quantifiable standards established for the requirements that each member “makes long-term home mortgage loans” and has a “home financing policy.” Noncompliant members could be barred from further access or have their membership terminated.

The suggested changes to FHLB membership requirements could significantly restrict insurance company membership in and use of the FHLB System contrary to years of established policy and Congressional intent. The intent of Congress for the FHLB System has been clear that insurance companies have been statutorily allowed membership in the FHLB since the FHLB Act was enacted in 1932. At no time since then, in spite of numerous other opportunities to review and amend the Bank Act, has Congress decided to restrict insurance company membership.

There are currently a significant number of insurance company members of the FHLB. I understand that insurance companies represent 10 percent of outstanding combined advances and 8 percent of FHLB capital stock. Insurance companies rely on FHLB products for contingent liquidity planning, managing high impact liquidity events, and reducing risk through enhanced asset liability management. Specifically, GMRC depends on the availability of the FHLB of Des Moines line of credit to satisfy its liquidity needs provide comfort to its rating agency.

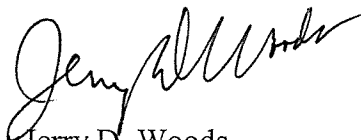
Insurance companies play a significant role in our housing market and in driving economic development in communities across the United States. They hold substantial amounts of single and multifamily mortgages and agency debt supporting the mortgage market on their balance sheets. Insurance companies also invest in Low-Income Housing Tax Credits, which are an important resource for creating affordable housing in the United States. GMRC invests heavily in residential mortgage debt obligations.

I do not understand why need exists to change the membership rules. I am aware of no problems created by the insurance company members. Further these members have provided stable capitalization for the FHLB entities. In fact, as noted above, the ANPR only opens the door to damaging the important role insurance companies have played in supporting housing finance and community and economic development since the Bank Act was enacted in 1932.

Imposing drastic limits on insurance company membership at the FHLB could have significant adverse liquidity impacts not only on the insurance companies, but on the other noninsurance company members of the FHLB as well. The FHFA should not proceed down this path toward fundamentally altering the FHLB System without express Congressional guidance, especially at this time when Congress and the Administration are undertaking a top to bottom review of the housing finance system in the United States, including a review of the important role served by the FHLB as a provider of liquidity. Also, as the economy is slowly recovering from its worst downturn in recent memory, now is exactly the wrong time to potentially remove sources of liquidity from the marketplace and potentially hinder versus help economic growth and job creation.

Accordingly, I urge that the FHFA withdraw the membership ANPR. I appreciate the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry D. Woods". The signature is fluid and cursive, with the first name "Jerry" being the most prominent.

Jerry D. Woods  
CFO