



October 15, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW
Washington, D.C. 20024

Re: Notice of Proposed Rulemaking and Request for Comments – Members of FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing to express a profound level of concern with the notice of proposed rulemaking regarding membership eligibility in FHLBanks that was recently issued by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant adverse changes to long-standing membership rules for the FHLBank system.

The proposed rule would have a direct adverse impact on our institution's ability to access FHLBank liquidity and other financial products that are needed to serve our community. Our analysis indicates that within the last six years, InterBank would not have met the ongoing requirement of the proposed rule to hold 10% of its assets in residential mortgage loans on its balance sheet on an ongoing basis.

InterBank is a mid-size bank located in Sayre, Oklahoma with \$2.5 million in total assets. We have been a member of FHLBank Topeka for several years. InterBank is a vital source of loans for the communities we serve, and we offer a variety of loan types. As permitted under FHLBank statute, we use permissible loans as collateral to support access to advances from FHLBank Topeka.

InterBank is very aware that FHFA's proposed rule could result in fewer members of FHLBank Topeka. This could lead to a smaller FHLBank with fewer assets, reduced profits, lower retained earnings, a decreased market value of equity of capital stock, and fewer dollars available for the Affordable Housing Program.

Access to advances is vital to our institution because FHLBank liquidity allows us to offer a variety of loan products to our customers that we might not otherwise be able to offer. In addition, having a credit line and borrowing capacity with FHLBank Topeka is integral to appropriate contingent liquidity management, which is required by our regulators.

The FHLBanks serve as a critical source of liquidity for small and large banks alike, and I urge FHFA to withdraw its incredibly harmful proposed rule because it would put our membership and the membership of other well run banks in jeopardy. The FHLBanks are operating safely and soundly and fully within the authorities granted by Congress. I want to reiterate: FHFA's proposed rule is inconsistent with Congressional intent and the FHLBank Act.

Without access to FHLBank Topeka, the credit available to our bank and the families of (REGION) will be directly and severely impacted. In light of the effects of this deeply flawed proposed rule on our communities, and we ask you to withdraw the proposed rule immediately.

Sincerely,
InterBank

Brad Maddoux
Executive Vice President