



November 3, 2014

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

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

Dear Mr. Pollard,

I am Frank J. Sgroi, Executive Vice President of Triad Bank located in Frontenac, Missouri. Our nine year old bank provides lending and banking services across the entire St. Louis, Missouri metropolitan area with a focus on Commercial Real Estate and C & I Lending. The proposed regulation on FHLB membership creates many concerns for our financial institution. We have been members of the Federal Home Loan Bank of Des Moines since May, 2006 and have enjoyed a wonderful relationship with them over the past eight years. Access to advances is critically important to our bank as it allows us to offer competitive terms and rates to our banking clients that we might not otherwise be able to offer. Our membership with the Federal Home Loan Bank of Des Moines is a major player in our overall Liquidity Program which has been reviewed and approved by our primary regulators the Federal Deposit Insurance Corporation since our beginnings. The credit line and advance borrowing capacity we have established with the Federal Home Loan Bank of Des Moines strongly promotes the safe and sound management that we have mandated for our bank.

It is also important to point out that many years ago, Congress made it clear that Community Financial Institutions such as our bank may use the services of the Federal Home Loan Banks for purposes other than simply residential housing finance. It continues to be the intent of Congress today for banks to utilize the services of Federal Home Loan Banks to help fund Commercial Real Estate, C & I Lending, Small Business Lending, Agriculture Real Estate and Operating Lending. This fact alone highlights how this proposed rule runs counter to existing Federal Statute.

Access to Federal Home Loan Bank advances is very important to Triad Bank and all other community banks in our area. Federal Home Loan Bank of Des Moines and the other eleven Federal Home Loan Banks are operating well within the authorities granted them by Congress. The membership requirements being contemplated by the Federal Housing Finance Agency would change longstanding requirements that have worked well, and the proposed rule would ignore the collateral expansions approved by Congress over time.

Triad Bank strongly recommends you rescind the proposed rule.  
Thanks for taking our comments into consideration.

Sincerely,



Frank J. Sgroi  
Executive Vice President  
Triad Bank