



# **PONY EXPRESS COMMUNITY BANK**

MEMBER FDIC

November 4, 2014

The Honorable Melvin L. Watt  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, DC 20024



Re: Comment – Membership Eligibility in Federal Home Loan Banks

Dear Director Watt:

I am writing to express concerns about the proposed rulemaking regarding membership eligibility in Federal Home Loan Banks (RIN 2590-AA39). The proposed rule includes significant changes to membership rules for the Federal Home Loan Bank (FHLB) system and is likely to have a significant and adverse impact on existing and prospective members as well as the communities they serve. Community banks such as ours rely on their FHLB to support lending within our service areas.

Congress has retained the authority to determine the scope and nature of eligibility for FHLB membership. Congress has periodically reviewed FHLB membership and member access to the services the system offers. On occasion, Congress has expanded eligibility for membership thereby facilitating access to the funding the FHLB provides.

The FHLB serves as a vital source of liquidity for our community bank. They also provide us with an important conduit to the secondary markets' fixed rate home loans; a product many small banks could not otherwise offer. The proposed rule could jeopardize these and other valuable functions that FHLBanks currently provide to our organization and others serving Main Street America.

I thank you, in advance, for considering my concerns and re-thinking the proposed changes to membership eligibility.

Very truly yours,

Robert A. Means  
President & CEO