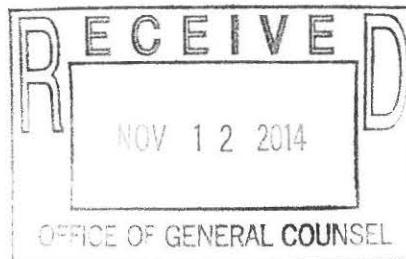




# Peoples Savings Bank

MARK LAUNE, PRESIDENT/CEO

112 W. Fifth Street • P.O. Box 528  
Hermann, MO 65041  
Phone (573) 486-1444 • mlaune@ourpsb.com  
NMLS # 528080



November 3, 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 the FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing to express my concerns about the notice of proposed rulemaking regarding membership eligibility in Federal Home Loan Bank (FHLBanks) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and unnecessary changes to long-standing membership rules for the FHLBank system. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). For these reasons Peoples Savings Bank of Rhineland vehemently opposes this proposed rule.

I am Mark Laune, President and CEO of Peoples Savings Bank. Our institution provides lending across all of our community with a focus on all of the credit needs in our community. We use FHLB for seasonal advances and letters of credit. We are a \$200 million dollar institution with 7 branches and 70 employees. Using FHLB helps the Bank succeed in supporting and growing our community.

The proposed regulation on FHLB membership creates many concerns for our bank. While my bank would meet the proposed rule requirements of the proposed rule today, I feel that the rule establishes a problematic precedent. There remains a distinct chance that at some point in the future, due prudent management of interest rate risk, economic or regulatory changes, our institution could fail the test. Our bank should be free to manage our balance sheets in light of what's best for us, not the demands of a regulator. Not to mention, the proposed regulation conflicts with concerns from financial regulators that financial institutions reduce holdings of long-term fixed rate mortgages and sell them in the secondary market.

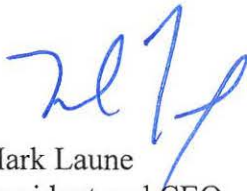
101 Bluff Street P.O. Box 489 Rhineland, MO 65069 Ph. (573) 236-4414 Fax (573) 236-4368	112 W. 5th Street P.O. Box 528 Hermann, MO 65041 Ph. (573) 486-1444 Fax (573) 486-8985	514 Picnic St. P.O. Box 185 New Florence, MO 63363 Ph. (573) 835-4414 Fax (573) 835-4412	9414 Hwy. 100 P.O. Box 78 New Haven, MO 63068 Ph. (573) 237-3322 Fax (573) 237-5322	1005 S. Sturgeon P.O. Box 1 Montgomery City, MO 63361 Ph. (573) 564-3444 Fax (573) 564-7919	30 Muhm Center P.O. Box 190 New Melle, MO 63365 Ph. (636) 398-5600 Fax (573) 398-5006	5000 Wingham Blvd. P.O. Box 46 O'Fallon, MO 63368 Ph. (636) 561-5500 Fax (573) 563-8329
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It is also crucial to point out that more than 25 years ago, Congress made it clear that community financial institutions (CFIs) such as my bank may use advances for purposes other than residential housing finance. It remains the intent of Congress today that CFIs may utilize FHLBank liquidity for commercial real estate, small business, agricultural real estate and agricultural operating loans. This fact alone highlights how this proposed rule runs counter to existing federal statute.

Broadly speaking, the FHLB Des Moines serves as a critical source of liquidity for financial institutions in Iowa, Minnesota, Missouri, North and South Dakota. They have proven to be a reliable and competitive source of liquidity for all of our financing needs in all economic environments. This rule, if adopted, would remove the certainty that the FHLB Des Moines can be counted on to be a reliable source of liquidity in all market conditions.

Without access to our FHLBank, the credit available to communities in our region will be unnecessarily impacted. We believe this proposed rule is a solution in search of a problem. Because the proposed rule outlines no safety and soundness concerns-and because there is no legitimate public policy goal of the proposed rule Peoples Savings Bank strongly recommends that you withdraw the proposed rule. Thanks for taking our comments into consideration.

Sincerely,



Mark Laune  
President and CEO  
Peoples savings Bank of Rhineland