

November 5, 2014

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



BELLEVUE
STATE BANK

LOCALLY OWNED SINCE 1934

MEMBER FDIC

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 Bellevue State Bank vehemently opposes this proposed rule.

I am Donna Mottet, Assistant Vice President of Bellevue State Bank. While my primary responsibilities include consumer and mortgage lending, Bellevue State Bank strives to meet all the credit needs in our community. Bellevue State Bank has one office with 14 employees. Our asset size is 87,629,000 as of third quarter, 2014. Without the assistance of FHLB, Bellevue State Bank wouldn't be able to meet the needs of our community, offer loan term fixed rate loans serviced locally or experience the growth we have seen in the past.

The on-going mortgage asset test requirements will artificially distort balance sheet management practices, decreasing the flexibility of community banks, credit unions and insurance companies to manage their balance sheets in response to changing market conditions.

Your agency's proposed rules could fundamentally change how, or even whether, a depository financial institution such as ours could remain a member of a FHLB Des Moines. This is enormously disturbing. Confidence, trust and reliability make up the cornerstone upon which our long-time FHLB membership is built. We need to know that the FHLB Des Moines can provide funding on a moment's notice as it did in the recent financial crisis.

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, Bellevue State Bank strongly recommends that you withdraw the proposed rule. Thanks for taking our comments into consideration.

Sincerely,

A handwritten signature in blue ink that reads "Donna M. Mottet".

Donna M. Mottet

Asst. V.P.-Bellevue State Bank

