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 Bryant State Bank opposes this proposed rule.

Our institution provides lending across all of our community with a focus on ag lending to the family farmer. This time of year farmers are paying for crop inputs for the next growing season and this can take a considerable amount of cash to fund these loans. The Bryant State Banks ability to borrow from the FHLBDM is a great liquidity source to provide the cash needed to fund these loans.

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, 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 the regulators. 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.

The FHLB Des Moines serves as a critical source of liquidity for our financial institution. 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.

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

Your agency’s proposed rules could fundamentally change how, or even if we can remain a member of a FHLB Des Moines.

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

Sincerely,

Jeffrey J Davis

President

Bryant State Bank