



Farmers State Bank

POST OFFICE BOX 65 • HOSMER, SOUTH DAKOTA 57448 • (605) 283-2201

Established 1919 • Member FDIC

11-14-14

Alfred M. Pollard, General Council
Attn: Comments/RIN 2590-AA39
400 7th Str. SW
Washington, DC 20024

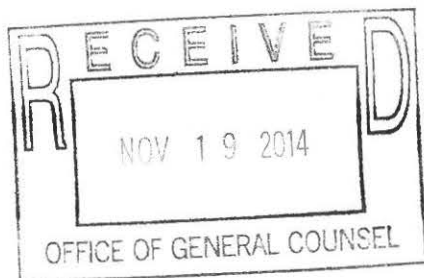
RE: Notice of Proposed Rulemaking and Request for Comments-Members of FHLBanks
(RIN 2590-AA39)

Dear Mr. Pollard,

I am Bruce Haerter, president & CEO of Farmers State Bank. This bank has been and remains to be very active in lending in and around our community with a focus on ag. Farmers State Bank is the smallest bank in size in South Dakota in a town of 182 people. We have no branches with seven employees. Even though we are the smallest sized bank in SD, our needs are not a lot different than many banks FHLB serves. In banking and in small business, our overall regulator environment is far overreaching and may likely be the biggest deterrant to longevity and success, not only in banking, but also in the communities across the Midwest where we live.

The proposed regulation on FHLB only adds to the many concerns for this bank. FHLB of Des Moines does serve as a critical source of liquidity for financial institutions across the Midwest and has been reliable and competitive for our financing needs. Your agency's proposed rules could fundamentally change how this bank may remain a member of FHLB. Confidence and reliability as well as trust is built over time and should not be deterred.

Without access to FHLB, future credit available to our customer base likely will be impaired. Please reconsider the proposed rule and encourage economic growth in all communities and regions. Thank you.



Sincerely,

Bruce Haerter
President & CEO
Farmers State Bank