



First Sentry Bank

YOUR TOWN...YOUR BANK™

November 10, 2014

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, DC 20024

**Re: Notice of Proposed Rulemaking and Request for Comments – Members of
Federal Home Loan Banks (RIN 2590-AA39)**

Dear Mr. Pollard:

As President & CEO of First Sentry Bank, a \$490 million asset community bank, I am writing to express my concerns in regard to the notice of proposed rulemaking as outlined above. While I appreciate your desire to provide for a strong Federal Home Loan Bank System that supports housing, we believe the rule could have some unintended consequences that would serve to undermine the goal of the proposal.

Our FHLB Bank (Pittsburgh) has not only been a vital partner to us in the past but we depend on it to continue as it is a vital component of our strategy going forward. A primary concern for us is that our regulators require us to secure a reliable source of contingent liquidity. In that regard, we place a great deal of reliance on the FHLB as our primary source of contingent liquidity has always been through our Home Loan Bank. With this rule, I have some concern that our regulators will not permit us to consider the FHLBanks as “reliable” and may require other, more expensive, contingent liquidity sources.

Another valuable component of our membership in our Federal Home Loan Bank is the ability to provide access to credit for a broad range of our local customers’ needs. I have concerns that this proposed rule will serve to limit this access as it will diminish the value of FHLBank membership, reduce borrowing from FHLBanks and therefore reduce the capacity of FHLBanks to assist members in serving the housing needs of their markets. This will also include a negative impact on net income for the FHLBanks, which will, in turn, mean less money for affordable housing grants.

By diminishing the strength of the FHLBanks, this rule serves to diminish community investment programs that help communities grow and thrive.

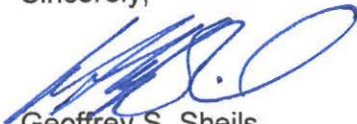
MAIN OFFICE 823 8th Street | PO Box 2107 | Huntington, WV 25721 | p (304) 522-6400 | f (304) 522-6410
MERRITTS CREEK 6501 Mud River Road | PO Box 790 | Barboursville, WV 25504 | p (304) 733-4244 | f (304) 399-6411
PEA RIDGE 5604 US Rt. 60 E | Huntington, WV 25705 | p (304) 733-7900 | f (304) 733-7911
HAMLIN 5 Second Street | Hamlin, WV 25523 | p (304) 824-6900 | f (304) 824-6911



My Federal Home Loan Bank went through some tough times during the crisis, including suspending dividends for several years. We stuck with the FHLBank as a member during that period, which supported your concerns that it remain well-capitalized. Now, it seems to me that a regulation is being proposed that could force us out at a time when the FHLBank is well-capitalized and profitable. That doesn't seem quite right to me.

Based on our belief that the proposals could harm FHLBank members and generally weaken a System that has worked well for more than 80 years, we ask that the FHFA reconsider the September 12, 2014 Notice of Proposed Rulemaking.

Sincerely,



Geoffrey S. Sheils
President & CEO