

# Iowa State Savings Bank

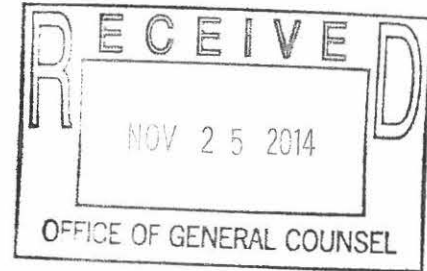
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Member FDIC ■

November 8, 2014



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

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

Dear Mr. Pollard:

I am writing this letter regarding the FHFA proposal to limit eligibility for membership in the FHLB to those depository financial institutions who maintain minimum 1% home mortgage loans to total asset requirement. Our bank has been a member of Federal Home Loan Bank, Des Moines, Iowa for more than 10 years and we have originated approximately 62 million dollars in secondary market real estate loans during that time through the MPF program. We have also utilized the Federal Home Loan Bank Advance Program to provide long-term funding for several commercial real estate loans during the past 10 years. We are a locally owned, independent community bank, located approximately 35 miles southeast of Des Moines. Our community has a population of 7,500 residents.

We have maintained our membership in the Federal Home Loan Bank of Des Moines because their high quality products and services allow us to better meet the borrowing needs of our real estate and commercial loan customers. The MPF Program has given us the ability to provide long-term, fixed rate real estate mortgage loans to our customers without incurring additional interest rate risk. The MPF program has also allowed our bank to provide long-term residential real estate mortgage loans to many of our small business customers who otherwise would not have qualified for a loan through traditional mortgage loan channels. I am proud to report we have incurred very few loan losses in the 62 million dollars in real estate loans we have generated through the MPF Program in the past few years. Membership in the Federal Home

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Loan Bank has allowed us to use the advance program to work with our local economic development group to provide long-term financing packages to help attract new industry to our community. We now have 250 new jobs in our community because of our relationship with the Federal Home Loan Bank. Finally, membership in the Federal Home Loan Bank has allowed us to address interest rate risk concerns and formulate a liquidity plan which was approved by our primary bank regulator, the Federal Reserve Bank of Chicago.

In my opinion, the key element of all Federal Home Loan Bank products and services is their "consistent availability" to our bank in all types economic environments. The new FHFA eligibility requirement and the possibility of having membership terminated for a 5 year period will forever change my perception of the reliability of our relationship with the Federal Home Loan Bank. We will not and cannot operate our bank successfully utilizing the Federal Home Loan Bank products if the relationship may be terminated at any time.

I also do not feel our primary bank regulator will approve of utilizing the Federal Home Loan Bank to address interest rate risk concerns if our membership can be terminated at any time.

We are strongly opposed to the FHFA rule regarding Federal Home Loan Bank membership eligibility and would ask your agency to reconsider its position on this issue. If you have questions or concerns regarding my comments, please do not hesitate to contact me.

Very truly yours,



Robert C Wims  
President

RCW:rk