



FIRST WHITNEY BANK & TRUST

223 CHESTNUT STREET • BOX 271 • ATLANTIC, IOWA 50022-0271

PH: 712-243-3195 FAX: 712-243-3198

www.firstwhitneybank.com

MEMBER F.D.I.C.

December 3, 2014

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 First Whitney Bank & Trust opposes this proposed rule.

I am Paul J. Gude, President/CEO of First Whitney Bank & Trust. Our institution provides lending across all of our community with a focus on all of the credit needs in our community. We are a bank with \$200 million in assets operating in one community. FHLB Des Moines is our main source of liquidity and our sole source for financing residential mortgages in our community of 7,000 people.

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, due prudent management of interest rate risk, economic or regulatory changes, 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 a regulator. 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 financial institutions in Iowa, Minnesota, Missouri, North and South Dakota. 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.

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- First Whitney Bank & Trust strongly recommends that you withdraw the proposed rule. Thanks for taking our comments into consideration.

Sincerely,

Paul J. Gude
President/CEO
First Whitney Bank & Trust