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December 9, 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:

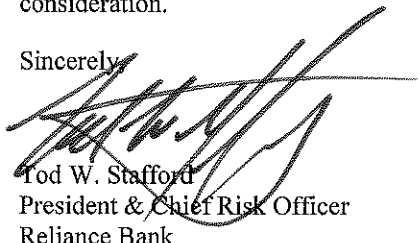
I am writing to express my concerns about the notice of proposed rulemaking regarding membership eligibility in Federal Home Loan Bank (FHLBanks) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and unnecessary changes to long-standing membership rules for the FHLBank system. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLBank Act). For these reasons Reliance Bank opposes this proposed rule.

I am Tod W. Stafford, President and Chief Risk Officer of Reliance Bank. Our institution provides lending across our community with a focus on the commercial, consumer, and mortgage needs. Reliance Bank currently qualifies as a CFI, but presently, our total assets exceed the minimum threshold to maintain its status as a CFI and over the next two years will likely transition to a non-CFI due to growth as we expand on our 22-branch network. The changes proposed by FHFA places an unnecessary risk on future membership with additional regulatory requirements and the additional burden of reporting and monitoring for compliance, resulting in a more tenuous relationship between FHLB and banks like ours. The FHLB provides a source of off-balance sheet liquidity that we rely on in our stress testing and business continuity planning, providing an assurance that we have a funding resource in difficult, or simply even in stressed short-term liquidity situations. Our bank is opposed to any threat that could limit our access to FHLB resources in the future. Your agency's proposed rules could fundamentally change how, or even whether, a depository financial institution such as ours could remain a member of a FHLB Des Moines. This is enormously disturbing. We need to know that the FHLB Des Moines can provide funding on a moment's notice as it did in the recent financial crisis.

Because the proposals would harm FHLBank members and hurt housing, credit and economic growth, we ask that the FHFA withdraw the new membership rules contained in its September 12, 2014 Notice of Proposed Rulemaking and work with FHLB members to preserve the FHLBs as a reliable partner of its members that benefits local lending institutions, communities, housing, homeownership and the nation's economy.

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

Sincerely,



Tod W. Stafford
President & Chief Risk Officer
Reliance Bank



MEMBER FDIC