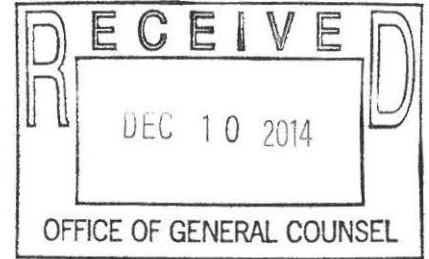


December 1, 2014

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 very upset by the proposed rulemaking regarding membership eligibility in Federal Home Loan Bank put forward by the Federal Housing Finance Agency. As a small community bank (\$135mm in Assets) in a very rural county of approximately 8800 people (Davis County, IA), we are the capital lifeline to our community. We maintain a loan-to-deposit ratio greater than 95% and often exceed 100%. **Over 60% of our loan portfolio is in real estate loans but most of these are classified as *Agricultural*, even though nearly every loan contains the family personal residence, because they consist of more than 20 acres of land.** Therefore, this lending involving family housing will not count towards achieving the quotas that FHFA is proposing.

As a community bank that is highly loaned-up due to serving the capital needs of our rural community, **we depend wholly on our Federal Home Loan Bank borrowing ability for balance sheet liquidity.** Congress recognized the needs of community banks like us more than 25 years ago and made it clear that community financial institutions like Success Bank may use advances for purposes other than residential housing finance. This highlights how this proposed rule violates federal statute.

Federal and State bank regulators (Federal Deposit Insurance Corp. and Iowa Division of Banking for Success Bank) are continually concerned with liquidity sources for community banks. There are no reliable liquidity sources available to community banks that are highly loaned-up OTHER than Federal Home Loan Bank. Should your proposed rule take effect and Success Bank loses access to Federal Home Loan Bank funding, we will be forced to reduce our lending in our community by tens-of-millions of dollars and invest in highly liquid bonds in order to provide our balance sheet with a reliable source of liquidity ... sucking desperately needed capital out of our rural community. **Depriving small communities of capital is an unintended consequence of your proposed rule.**

Thank you for your consideration of the needs of community banks and the small communities that we serve.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Thompson".

Dan Thompson, President