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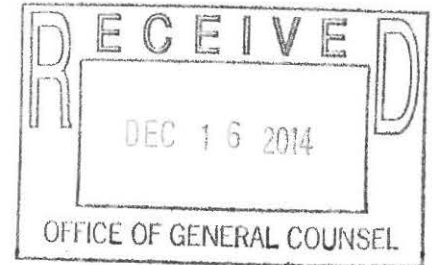
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December 8, 2014

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 the Bank of Monticello opposes this proposed rule.

I am Virgil Welker, President of Bank of Monticello. Our institution provides lending across all of our community with a focus on agriculture. Membership with the Federal Home Loan Bank helps us to provide some longer term fixed rates for our agricultural real estate borrowers and also helps provide us funding for short-term needs in funding agricultural operating loans. The regulatory burdens community banks face is already excessive and with the changes to rules of FHLB membership being analyzed on-going as to meeting certain criteria only adds to this burden. We are a bank of over \$ 100 million with 3 locations and over 30 employees. We cater our products and services to our rural community and try to keep extra fees as low as possible to suit their needs. The additional burdens that have been place on us over the past few years is adding unnecessary costs to our customer base.

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.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Virgil Welker".

Virgil Welker
President & CEO
Bank of Monticello