

Farmers

BANK OF MILTON

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December 23, 2014

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

Dear Mr. Pollard,

This letter is to express my strong opposition to the proposed Membership change being considered by your agency.

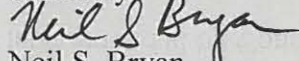
My rural community bank relies on the Federal Home Loan Bank of Cincinnati as a stable source of liquidity. The proposed Membership change would substantially restrict the terms of FHLBank Membership that have been in place since the FHLBank Act was enacted in 1932 and later amended by Congress in 1989, 1999 and 2008.

This proposed rule change would impose on-going membership tests to remain a member of FHLBank and the impact of this rule change will diminish the FHLBank' liquidity mission and has the potential to increase systemic risk to the financial system. The proposed regulation requires banks to an ongoing "makes mortgages" test thereby destabilizing community banks that rely on FHLBank as a contingent funding source.

With its Congressional charter, Congress has always been interested in expanding not restricting membership at FHLBanks. Likewise, only Congress, not FHFA should establish or amend eligibility standards for membership in FHLBanks. In its 75+ year history, FHLBank of Cincinnati has never experienced a credit loss and operates in a sound and safe manner.

With this letter I respectfully request that FHFA withdraw the proposed FHLBank Membership rule as it has the potential to negatively impact the availability of credit for housing, and community and economic development.

Sincerely,



Neil S. Bryan
President & CEO

