



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:

My name is Mark Simmer and I serve as the president of the Chillicothe State Bank, a bank of approximately \$125 million in total assets located in the northwest part of Missouri. The Chillicothe State Bank, in all aspects, is a community bank and for that reason has found it vitally important to be a member of the Federal Home Loan Bank (FHLB) system.

At this time, I wish to express my concerns to you regarding the notice of proposed rulemaking put forward by the Federal Housing Finance Agency (FHFA) that threatens to destroy membership eligibility in the FHLB system as we know it today. The proposed rulemaking includes significant and unnecessary changes to the long-standing membership rules of the FHLB system and appears to not be aligned with the intent originally set forth by the United States Congress and the FHLB Act. In all honesty, the proposed rule leaves me shaking my head wondering why the FHFA is attempting to fix something that is not broken.

Broadly speaking, the FHLB of Des Moines, for which we are a member of, serves as a critical source of liquidity for many banks in Iowa, Minnesota, North Dakota, South Dakota and my home state of Missouri. The FHLB of Des Moines has proven time and time again to be a reliable and competitive source of liquidity for banks in all economic environments. However, if the proposed rulemaking is adopted, it would most definitely remove any certainty that the FHLB of Des Moines, or the system as a whole, could be counted on by banks to be a reliable source of liquidity no matter what the economic environment looked like.

The FHFA's proposed rulemaking could dramatically change how, or even whether, a bank could remain a member of the FHLB system. This is very disturbing to me because confidence, trust and reliability are just three of the many ways to describe the foundation for which the membership of the FHLB system has been built over the years. Banks need to know that the FHLB system will be there for them to provide funding on a moment's notice as it did in the most recent financial crisis.

**Chillicothe State Bank**

Because the FHFA's proposed rulemaking has the real potential to curtail the FHLB system's membership and, in turn, hurt the expansion of credit and economic growth, I respectfully ask that the FHFA withdraw its new membership rules contained in its September 12, 2014 Notice of Proposed Rulemaking and work with the existing members of the FHLB system to preserve the existing system as a reliable source of liquidity that banks can tap to meet the credit needs of their communities and the economic downturns that may arise in the future.

Sincerely,

A handwritten signature in black ink that reads "Mark D. Simmer". The signature is written in a cursive style with a large, stylized initial "M".

Mark D. Simmer  
President