

January 5, 2015

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 FHLB (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 Banks (FHLB) put forward by the Federal Housing Finance Agency (FHFA). The proposed rule includes significant and unnecessary changes to long-standing membership rules for the FHLB system. The proposed changes are inconsistent with Congressional intent and the Federal Home Loan Bank Act (FHLB Act). For these reasons West Bank vehemently opposes this proposed rule.

I am the Chief Financial Officer of West Bank. Our bank provides lending across all of our community with a focus on mortgages and small business credit needs. We have been serving our community since 1893.

The proposed regulation on FHLB membership creates many concerns for our bank. Broadly speaking, the FHLB Des Moines serves as a critical source of liquidity for financial Institutions in Iowa, Minnesota, Missouri, North and South Dakota. They have proven to be a reliable and competitive source of liquidity for all of our financing needs in all economic environments. This rule, if adopted, would remove the certainty that the FHLB Des Moines can be counted on to be a reliable source of liquidity in all market conditions.

The on-going mortgage asset test requirements will artificially distort balance sheet management practices, decreasing the flexibility of community banks, credit unions and insurance companies to manage their balance sheets in response to changing market conditions.

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. Confidence trust and reliability comprise the bedrock upon which our long-time FHLB membership is built. 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.

Access to advances is critically important to our bank because FHLB liquidity allows us to offer competitive rates to our customers that we might not otherwise be able to offer. **This is our main liquidity source in times of need.** Additionally, having a credit line and borrowing capacity with the FHLB of Des Moines promotes the safe and sound management of our institution.

Without access to our FHLB, the credit available to communities in our region will be unnecessarily impacted. We believe this proposed rule is a solution in search of a problem. Because the proposed rule outlines no safety and soundness concerns-and because there is no legitimate public policy goal of the proposed rule, West Bank strongly recommends that you withdraw the proposed rule. Thank you for taking our comments into consideration.

Sincerely,

A handwritten signature in blue ink that reads 'Douglas R. Gulling'.

Douglas R. Gulling
Chief Financial Officer
West Bank