



CLARE BANK

January 6, 2014

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

Re: Notice of Proposed Rulemaking; Request for Comments – Members of the Federal Home Loan Banks

Dear Mr. Pollard:

In response to the request for comments on “Members of the Federal Home Loan Banks” published on September 12, 2014, I’m writing to ask that the Federal Housing Finance Agency (“FHFA”) drop the proposed rule requiring community financial institutions to hold a certain percentage of total assets in long term home mortgages.

Although Clare Bank is a community bank which should have no trouble meeting the proposed requirement as we make and hold a large amount of home loans in our portfolio, our position is simply this: please don’t “fix” something that isn’t broken.

The Federal Home Loan Bank system is an important provider of liquidity to community banks. Every month when we look at our liquidity and available sources of additional liquidity, we count on the borrowing available from the Federal Home Loan Bank of Chicago. I’m sure the same is true for many other community financial institutions. Lenders need to be able to count on that liquidity and not worry about whether they will meet this or the next additional requirement for membership.

Thank you for your consideration of this matter.

Sincerely,

Patrick M. Clare,
President

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