MID MISSOURI CREDIT UNION

January 2, 2015

Alfred M. Pollard, 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 and Request for Comments – Members of FHLBs (RIN 2590–AA39)

Dear Mr. Pollard,

We are a state-chartered Credit Union with just over $ 200mm in assets, and a strong legacy of 60+ years serving 26,000 Member/Owners in middle Missouri. We are a vanilla lender in the heart of the Heartland - focused on delivering 1-4 family mortgage, automobile, and consumer-related loans to young families, retirees, select small businesses, and active military and civilians assigned to Fort Leonard Wood. When Congress looks to solid, stable financial institutions that support their core constituency and communities in both good and bad times, I'd suggest they look to financial institutions like mine. The proposed regulation on FHLB membership creates real balance sheet management and liquidity concerns for us, which is something I think the proposed rule did not intend.

Having worked in both the credit union and banking industries, I can safely say that the FHLB has proven to be not only a reliable wholesale liquidity source, but also a strategic thought partner. Their product set is flexible, and funding desk very knowledgeable in best practices and strategies. As you know, the FHLB Des Moines serves as a critical source of liquidity for financial institutions in Iowa, Minnesota, Missouri, North and South Dakota. By supplying nearly 50% of our current wholesale credit limits, FHLB Des Moines is our primary liquidity partner, as noted in our Asset/Liability Management meetings. Removing our ability to access them severely impedes our Liquidity Policy as it exists today – not only in periods of crisis, but as part of a normal, healthy funding strategy. Also, FHLB outreach, grant, and community development initiatives provide strategic community support, and are programs that we are actively reviewing, and further believe we could not afford or deliver on our own.

We offer mortgages to the very people that I believe the FHLBanks were chartered to help. However, under the proposed rule, we would no longer qualify for membership because we don't hold quite enough mortgages on our books. You can appreciate this message is in direct conflict with the call of banking regulators, who want all FI's to reduce long-term assets in the name of proper interest rate risk management. We are caught in the middle, with our Members and communities ultimately suffering the damage of a post-FHLB landscape. Because the proposals would harm us, many existing and future FHLB members, and the economy as a whole when access to affordable housing choices is reduced, I ask that the FHFA withdraw the new membership rules contained in its Sept 12, 2014 Notice of Proposed Rulemaking.

Many decisions in life are difficult, but I'd suggest this one is a slam dunk. Please preserve our flexibility to fund affordable homes for our 9-county footprint, and thanks for the chance to comment.

Sincerely,

John W. O'Hare, CPA
President & CEO
Mid Missouri Credit Union