



FIRST FEDERAL SAVINGS & LOAN BANK

700 East Santa Fe, PO Box 636

Olathe, Kansas 66051-0636

Telephone: (913) 782-0026

Fax: (913) 782-4282



January 2, 2015

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

RE: Notice of Proposed Rulemaking & Request For Comments – Members of FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing with regards to the proposed rulemaking membership eligibility in the Federal Home Loan Bank system that the Federal Housing Finance Agency recently issued. I am concerned in several different areas and personally believe that the proposed rules include significant and unnecessary changes to long-standing membership rules for the whole FHLB system.

I know that my institution would meet and qualify the requirements of the proposed rule today; I feel the rule sets a very bad precedent. I also think/feel that the proposed rule "could" open the door to future changes and/or other factors, mostly out of our control, that could cause our institution to fail the test. Further, we do not support the adverse impact the proposed rule could have on other financial institutions in our region. We also believe that the rule could result in fewer members of the FHLB of Topeka, which then would lead to reduced profits, lower retained earnings, a decreased market value of equity and capital stock and fewer dollars available for community programs like the Affordable Housing Program, etc.....

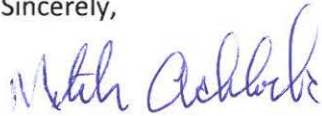
I feel that it is also extremely important to point out that about 25 years ago, Congress made it very clear that community financial institutions, like ours could use FHLB advances for purposes other than residential housing finance, although we are basically a residential mortgage lender with about 95% of our assets in 1-4 family residential loans. We recently converted to a Kansas State Chartered Bank and do plan to shift or diversify our loans to more commercial and small business lending areas which now could be altered if your proposed rules do take effect. I think that this point alone shows how large of an effect the rule could have on local/community type lending!

I also believe that community institutions, like ours, could very easily shrink in size and could potentially lose their FHLB membership besides restricting our access to liquidity, mortgage purchase programs,

affordable housing programs and community investment products, some of the very activities that FHFA and Congress wish to enhance.

We also feel that access to FHLB advances is important to institutions like ours in our region. The FHLB and the eleven other FHLB's are operating well within the authorities granted them by Congress. The membership requirements being contemplated by FHFA would change long-standing requirements that have work well, and the proposed rule would ignore the collateral expansions approved by Congress over time. Because the proposed rule outlines no safety and soundness concerns – and because there is no legitimate public policy goal of the proposed rule First Federal Savings & Loan Bank strongly recommends you rescind the proposed rule. Thank you for taking our comments into consideration.

Sincerely,



Mitch Ashlock
President & CEO

cc: Office of the State Bank Commissioner
Andrew Jetter, FHLB Topeka