



January 8, 2015

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:

Community Bank is respectfully submitting this comment letter expressing our concerns regarding the Federal Housing Finance Agency's ("FHFA") notice of proposed rulemaking and request for comments on "Members of the Federal Home Loan Banks" published on September 12, 2014. Community Bank is strongly requesting the withdrawal of this proposal.

Community Bank, with total assets of \$181 million, has been helping the Northern IL Communities of Lena, Orangeville, Warren and Winslow with their Banking needs for over 99 years. We have been a member of the Federal Home Loan Bank of Chicago for 19 years and hope to continue the relationship for many more. Community Bank provides the communities served with a wide range of loan products, such as residential real estate, agricultural real estate, agricultural operating, commercial real estate, and small business operating loans. We currently use these loans as collateral when working with the FHLB of Chicago on various products and services, as permitted under the FHLB Act. And as Community Bank moves forward, we plan to continue this relationship to strengthen the Bank, the FHLB, and the communities we serve.

Community Bank is concerned that the proposed rule will impose requirements which will adversely affect the Bank's ability to remain a member of the FHLB of Chicago. This has the potential to affect the liquidity of the Bank and will have a major impact on the loan products currently offered. Community Bank has the ability to rely on the FHLB of Chicago's products to strengthen the Bank, allowing for its continued success for an additional 99 years.

As stated, our membership in the FHLB of Chicago is valued and provides our customers a partner to help better serve their needs and provide them with a viable lending source. A small bank such as ours, relies on the ability to access funding through the FHLB of Chicago to assist with funding a wide array of loan products which without their help would not be available to our customers. If the proposed rule goes forward and Community Bank cannot maintain membership with the FHLB of Chicago, our customers and communities will be adversely affected.

We also have a responsibility to our shareholders and the current partnership with the FHLB allows Community Bank to provide a safe, sound, and steady investment to our owners in varying market conditions. Community Bank is always looking for growth opportunities and feels that the proposed rule has the potential to inhibit our ability to grow. A reduction in the usage of FHLB products and services could result if the Bank tries to follow the community financial institution threshold (CFI), reducing the products and services the Bank can offer its customers, ultimately stifling growth. The Federal Housing Finance Agency should be supporting growth and allow FHLB members access to liquidity and products which will provide a healthier financial institution and stronger financial system.

Community Bank also feels that the proposed rule will undermine the stability of the FHLB which has been relied upon by community banks to help provide liquidity over the past 82 years. The implementation of the rule will result in fewer FHLB members, reducing FHLB profits and assets, ultimately reducing the money available to the remaining members. Current housing and investment programs will no longer be available and additional products and services will be eliminated by community banks, causing the local economies to suffer.

Community Bank asks that you strongly consider the immediate withdrawal of the proposal for the betterment of our customers, our communities and the FHLB.

Thank You for considering our views.

Sincerely,



Michael J. Woodworth
Vice President
Community Bank