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Platte Valley Companies

Members FDIC

NEBRASKA: Scottsbluff • Morrill • Minatare • Bridgeport
WYOMING: Torrington • Wheatland • Casper

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January 10, 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 FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

I am writing on behalf of the three community banks which are affiliates of Platte Valley Financial Service Companies, Inc. All three banks, Platte Valley Bank-Nebraska, Platte Valley Bank-Wyoming, and Mountain Valley Bank (Colorado) are long time members of the Federal Home Loan Bank of Topeka. The services offered by FHLB Topeka are a crucial component in helping our banks to offer financial services to the small rural communities of Nebraska, Wyoming, and Colorado which comprise our customer base. It is for this reason that we strongly urge you to abandon the proposed rules for membership in the Federal Home Loan Bank system.

Banking organizations such as ours which serve smaller rural communities often have limited opportunities to generate a specific type of loan to meet an arbitrary standard as outlined in the current proposal. The imposition of an ongoing minimum percentage of assets in mortgage loans could force banks with limited mortgage lending opportunities to purchase loans out of their primary lending area to maintain access to the liquidity and support services available through membership in the Federal Home Loan Banks. This is completely at odds with the idea of reinvesting depositor money in the communities in which the funds are obtained. Purchasing loans outside of the local market to meet this arbitrary standard is also counter to the goals of the Community Reinvestment Act by potentially diverting lendable funds from underserved areas.

The Federal Home Loan Bank system survived the recent recession under the current membership rules. During this period they provided much needed liquidity and other supporting services to banks such as ours that helped the economy through those challenging times. It is hard to understand why a regulator would want to tamper with membership rules that have stood the test of time. Clearly a strong, diversified membership base as currently exists in the FHLB system provides stability and financial strength. The new rules as proposed will without doubt limit diversity and weaken the system.

We believe this proposal is not only unnecessary but damaging to the banking system. We urge you to abandon this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Earl F. Warren, Jr.", with a long horizontal flourish extending to the right.

Earl F. Warren, Jr.
Senior Vice President