



January 12, 2015

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency,
400 Seventh Street, S.W., Eighth Floor
Washington, DC 20024

Re: Notice of Proposed Rulemaking and Request for Comments – Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

On behalf of First Independent Bank, Aurora, Mo, I am writing to express my concerns about the notice of proposed rulemaking. While we appreciate your apparent desire to provide for a strong Federal Home Loan Bank System that supports housing, we believe the rule undermines the goal of the proposal.

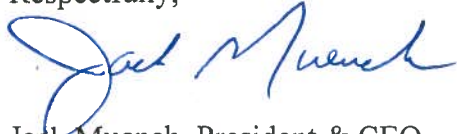
First Independent Bank is a CFI that easily meets a 1% or even a 5% test that the proposal suggests might be imposed. However, we cannot be sure your agency will not increase that test beyond 5% in the future. If your stated rationale is that a mortgage asset test supports housing (a supposition with which I vigorously disagree), it is logical to assume that number will likely be increased in the future.

This proposed rule will diminish the value of FHLBank membership, reduce borrowing from FHLBanks and reduce the capacity of FHLBanks to assist members in serving the housing needs of their markets. As a result it will have a negative impact on net income of the FHLBanks, which will, in turn, mean less money for affordable housing grants.

Considering the economic challenges our country has faced over the past six to seven years, I feel the government should be looking for ways to help the economy, not impose a rule that could lead to a reduction in the flow of credit to communities across America. Also, I feel Congress, not FHFA, should determine membership requirements.

Based on our belief that the proposals could harm FHLBank members and generally weaken a System that has worked well for more than 80 years, we ask that the FHFA withdraw, the September 12, 2014 Notice of Proposed Rulemaking.

Respectfully,



Jack Muench, President & CEO
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