



March 18, 2011

Alfred M. Pollard, General Counsel
Attention: Comments/R/N 2590-AA39
Federal Housing Finance Agency
2700 G. Street, NW, Fourth Floor
Washington, DC 20552

Re: Advance Notice of Proposed Rulemaking for Comments – Members of Federal Home Loan Banks (R/N 2590-AA39)

Dear Mr. Pollard:

The following letter is submitted in response to the Federal Housing Finance Agency request for comments on an advance notice of proposed rulemaking where by FHFA expresses a desire to review the nexus between Federal Home Loan Bank membership requirements and the FHLBI's housing finance and community development mission. On behalf of Mason State Bank, I am submitting these comments.

The liquidity FHLBI provides our bank is essential to the economic growth of our community. We must have access to long-term, low cost funding if we are to continue to make long-term mortgage and business loans.

Contingency funding sources are critically important in our strategic planning particularly in a state which is experiencing considerable financial stress.

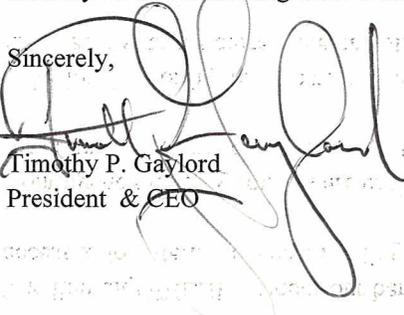
Additional reporting requirements and the associated overhead costs are unnecessary when no problems have been associated with the current membership rules.

FHLBI operates as a cooperative. The diverse membership of a cooperative keeps it strong. We need more qualified members to leverage current operating costs and reduce advance rates to members. Lower rates to members will result in more affordable loans.

Finally, when we are looking to enhance economic growth by encouraging lending, FHFA should not be focused on reducing access to low cost, long-term funding.

Thank you for considering these comments

Sincerely,


Timothy P. Gaylord
President & CEO

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