Ms. Sandra Thompson

Director

Federal Housing Finance Agency

400 Seventh Street SW, 8th Floor

Re: FHLBank System at 100: Focusing on the Future Initiative

Like many insurance company members of the Federal Home Loan Bank System, Western National Mutual Insurance Company benefits from a strong partnership with the Federal Home Loan Bank of Des Moines. Our many years of membership has allowed us to effectively manage many facets of our business and play a role in the cycle of liquidity and the housing market.

The Federal Home Loan Bank of Des Moines has provided efficient, collateralized access to funding that enables us to strengthen our balance sheet and thereby reduce risk to our customers. Just as importantly, it facilitates our role in the housing and mortgage markets that benefits all borrowers including lower income and affordable housing issuance. As an active buyer of mortgage-backed securities, we create liquidity for other financial institutions and are able to diversify our own portfolios. This cycle of mortgage lending and liquidity would be greatly disrupted by changes to the Federal Home Loan Bank system and its membership structure.

Additionally, our company is able to support economic development across a diverse spectrum of geographies through our funding access with the FHLB Des Moines. The banks funding provides critical liquidity to insurance companies when severe weather strikes, providing us a reliable path to ensure customer claims are paid in a timely and necessary fashion. Any enhancement to earnings provided by advances through the Federal Home Loan Bank afford us the ability minimize premium increases to our customers.

Insurance companies across the country have been members of the Federal Home Loan Banks since the founding of the system in 1932. Our partnership is critical to manage risks, participate in the cycle of the housing market, and to invest in economic development. The system works well, contributing substantially to affordable housing and providing vital liquidity that has helped maintain financial stability. We encourage the Federal Housing Finance Agency, through its review of the System, to maintain these important partnerships and continue to strengthen a system, and membership structure, that has worked well for over 90 years.

Respectfully,

Jon Sticha

Vice President