

Alfred M. Pollard, 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 and Request for Comments – Members of FHLBs (RIN 2590–AA39)

Dear Mr. Pollard,

As President of East Dubuque Savings Bank, a community bank serving eastern Iowa, southwest Wisconsin and northwest Illinois, it is critical you understand the impact of the proposed rulemaking on our community and on our bank. Our institution provides small business and consumer lending across the communities in the tri-state area. The proposed regulation on FHLB membership creates many concerns for our financial institution as FHLB is a critical source of liquidity for our bank.

Your agency’s proposed rules could fundamentally change how, or even whether, we could remain a member of a FHLB Des Moines. This is very concerning. We need to know that the FHLB Des Moines can provide funding on a moment’s notice as it did in the recent financial crisis and as it continues to be a funding source for our growth.

The practice of holding long term assets at a fixed interest rate on our balance sheet is against our strategies of maximizing Net Interest Margin while finding our customers the best possible solutions to their long term goals. As a bank, we would fail the 1% test and would be punished by having our FHLB membership terminated. This is an extreme action, especially since a terminated or withdrawing bank cannot immediately seek to reinstate its membership.

Because the proposals would harm FHLBank members and hurt housing, credit and economic growth, we ask that the FHFA withdraw the new membership rules contained in its September 12, 2014 Notice of Proposed Rulemaking and work with FHLB members to preserve the FHLBs as a reliable partner of its members that benefits local lending institutions, communities, housing, homeownership and the national economy.

Thanks for your consideration. Please take a global look at the downstream ramifications of this change before finalizing the Proposed Rulemaking for the sake of our communities and our bank.

Sincerely,



Lori Thielen, President, East Dubuque Savings Bank