January 12, 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 the FHLBanks (RIN 2590-AA39)

Dear Mr. Pollard:

This letter as noted above is in response to the opportunity to provide comments on the proposed rulemaking which would revise regulations governing Federal Home Loan Bank (FHLB) membership. I am writing as Executive Vice President of O’Bannon Banking Company, a 20 year proud member of the FHLB. I appreciate your time and consideration in listening to the following concerns that I have with the proposed changes affecting governing rules in place since 1932 with the establishment of the Federal Home Loan Bank Act.

O’Bannon Banking Company has continuously utilized the FHLB in the funding of all types of loans, including the specific funding of residential mortgage loans. The FHLB credit line available to O’Bannon Banking Company has proved to be a valuable source of liquidity and overall effective funds management. I believe the proposed changes to be a great disservice and a counter-productive proposal to member banks and the FHLB system, as well as the communities we serve. The proposed rule goes beyond the intent of the FHLB Act of supporting residential mortgage lending activities and begins to manage the loan portfolio and asset/liability structure of the member banks. As the last several years have proven, economic statistics can change significantly as well as the needs of member banks and the adjusted needs of the communities during each economic cycle. The FHLB under current regulation has provided effective and timely management of respective ebbs in economic changes in our respective communities. O’Bannon Banking Company is committed to the importance of residential lending within our markets; however, our balance sheet and funding sources should not be managed by regulation. Specifically mandating continued membership status and lending structure through asset requirements is not fiscally responsible to the banking system and all those it serves.

In summary, I would like to re-emphasize my strong opposition to the proposed rulemaking and the negative direction it would have on the strong and invaluable relationship provided by the current FHLBanking system. Once again, I appreciate your time and the opportunity to address this significant issue and its impact on the FHLB, financial institutions and communities served.

Sincerely,

Dwayne A. Falk

Executive Vice President

O’Bannon Banking Company