



August 15, 2008

Mr. Gary K. Van Meter  
Deputy Director, Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Skywalk Level  
801 Walnut Street, Suite 200  
Des Moines, IA 50309-3513  
515.281.1000  
800.544.3452  
[www.fhlbdm.com](http://www.fhlbdm.com)

Dear Mr. VanMeter,

The Federal Home Loan Bank of Des Moines (FHLB Des Moines) believes the Farm Credit Administration (FCA) is attempting to fundamentally transform the mission of the Farm Credit System through the administrative rulemaking process as proposed in Farm Credit Administration Regulations, 12 CFR Part 615. Notwithstanding the fact that the Congress rejected inclusion of Horizons in the Farm Bill, the FCA is now proposing to enact portions of Horizons in its regulation "Investments in Rural America."

Specifically, the proposed FCA regulations would authorize Farm Credit System institutions to "invest" 150% of their surplus capital in financing hospitals, health care facilities, roads, bridges, transportation infrastructure, venture capital funds and any other type of investment the FCA approves, if the investment is located in a community with a population of less than 50,000. FCS institutions were created to serve America's farming and agricultural interests and the expansion of the type proposed will erode the interests of the farmer and rancher owners and forever change the mission of the FCS.

FHLB Des Moines partners with our community bank members as they provide a broad range of services to their communities. These community banks are often the lifeblood of a community, providing the credit necessary for a broad range of essential credit and other products. The FCS' proposed rules represent an expansion into corporate and mortgage lending in ways that represent almost impossible competition for community bankers who live and work in the communities they serve. The proposed expansion of the mission of the FCS would displace a great deal of private sector activity and could destabilize rural economies.

FHLB Des Moines strongly urges the FCA not to rewrite the Farm Credit Act of 1971 through regulation. We do not believe that the FCS should be authorized to enter into the arena of traditional commercial lending or expand its mission through the administrative rule process. Thank you for your consideration of our views.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael L. Wilson".

Michael L. Wilson  
Executive Vice President  
Chief Business Officer