



FRONTIER
BANK

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July 13, 2006,

Federal Housing Finance Board
Attention: Public Comments
1625 Eye Street, N.W.
Washington, D.C. 20006

Re: Proposed Excess Stock and Retained Earnings Requirements for FHLBank

Dear Sir or Madame:

In response to your invitation for public comments on the referenced proposal, I write to offer certain suggestions. We use various FHLBank Atlanta products and programs to meet the need of our customers and communities. The role that the FHLBank plays in our business is essential to our ability to extend vital financial services and credit to our communities. For this reason, it is extremely important that in developing regulations aimed at ensuring the safe and sound operations of the FHLBanks, the Finance Board constructs its proposed rules in a way that does not impose unnecessary economic burdens on the FHLBanks or their member financial institutions.

Because we believe the proposed rule to be burdensome and unnecessary, we urge the Finance Board to (1) withdraw the proposed rule; or (2) modify the rule to (a) take into consideration the risk-weighting of assets held on the FHLBank's balance sheets, (b) establish a specific transition period for the FHLBanks to achieve their retained earnings requirements, and (c) ensure that during the transition period, no additional limits be imposed on the amount of earnings that can be paid as dividends, so long as the FHLBank has established an acceptable capital plan for meeting and continuing to meet its retained earnings target and is on schedule to do so.

Sincerely,

Wanda Presley
Senior Vice President