



Mortgage Loan Office

July 11, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Attention: Public Comments
Excess Stock Restrictions and Retained Earning Requirements for
The Federal Home Loan Banks
#3069-AB30

I am writing to express my concern over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. I represent Fort Knox National, a member of the FHLBank. We have partnered with the FHLBank through its Welcome Home program to provide \$44,000 in down payment assistance grants on eight homes.

FHLBank funding is often the critical first level of financial commitment to complex housing projects. It helps leverage other sources of public and private funding and brings together the necessary partners and leaders for effective development. The FHLBank's affordable housing programs provide us with a very powerful tool to address the housing needs of customers with limited resources. These customers may be on the threshold of starting new jobs, opening their first business, or making that jump to homeownership to begin building equity for the future.

The FHLBank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the FHLBank, reduce its profitability, increase cost to our institution, all to no apparent benefit. Why penalize the FHLBank affordable housing, I strongly urge you to reconsider this restrictive regulation that will result in lower FHLBank profits and, by extension, fewer residents gaining access to affordable housing.

President Bush in his first State-of-The-Union address gave his vision of a "Home Ownership Sociality" enabling more of those who desired to make the transition from home renter to home owner. The new capital requirements would unnecessarily hinder the President's mandate without appreciably adding to the soundness of the FHLBanks.

Yours truly,

A handwritten signature in blue ink that reads "David A. Dozer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

David A. Dozer
Vice President
Fort Knox National Bank