



Marion and Polk Schools Credit Union

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Ronald A. Rosenfeld
Chairman
Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

July 12, 2006

Subject: Proposed Rule – Excess Stock Restrictions

Dear Chairman Rosenfeld:

MaPS Credit Union, the undersigned credit union, appreciate the opportunity to comment on the proposed rule from the Federal Housing Finance Board (FHFB) that would prescribe a minimum amount of retained earnings and would limit the amount of excess stock that a Federal Home Loan Bank (FHLB) can have outstanding. The proposed rule would also prohibit an FHLB from selling excess stock to its members or pay stock dividends, as well as restrict an FHLB's ability to pay dividends when its retained earnings are below the prescribed minimum.

I recognize that the proposal is intended to enhance the safety and soundness of the FHLBs, and we support such efforts. I also recognize that the proposal may result in reduced dividends for members if an FHLB cannot meet the retained earnings requirement, although this would be mitigated, at least to some extent, if the par value of the members' stock can be preserved. The FHLB dividends are an important issue, and we support the ability of the FHLBs to pay dividends, to the extent such action is consistent with maintaining the safety and soundness of the FHLB system.

Although modifications to the FHLB System may certainly be necessary as a means to enhance the safety and soundness of the FHLBs, the changes outlined in the proposal are so significant, and is detrimental to the FHLB members. MaPS Credit Union would be negatively impacted by these changes and would therefore, be forced to reconsider its membership in the FHLB should this proposal be passed. For this reason, I suggest that the FHFB withdraw the proposed rule.

MaPS Credit Union, along with other member credit unions, look forward to participating in the process of developing improvements to the FHLB System, while protecting the FHLBs' ability to pay dividends to member institutions. We are hopeful such a process will help ensure that a significant number of credit unions can continue to rely on the FHLB System as an important source of funding for MaPS Credit Union.

Sincerely,

Robert Blumberg
CFO, MaPS Credit Union