



MARYLAND FINANCIAL BANK

Your Partner In Correspondent Banking

July 12, 2006

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

Dear Members of the Board,

I am writing in reference to your proposed rule that would change the capital structure of the FHL Banks. I would ask that you (1) withdraw the proposed rule; or (2) modify it to (a) take into consideration the risk-weighting of assets held on the FHLBanks' 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 are imposed on the amount of earnings that can be paid as dividends, so long as the FHLBank has established an acceptable plan for meeting and continuing to meet its retained earnings target and is on schedule to do so.

The Federal Home Loan Bank system is crucial to the banking system in our country, especially community banks. Any additional burden you place on the FHLBanks is a burden on the financial institutions in this country.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard E. Hook IV", is written over the word "Sincerely,".

Richard E. Hook IV
President & CEO

Cc: John M. Bond, Jr.