

July 13, 2006

We are requesting that finance board reconsider its position on the proposed retained earnings and excess stock rule. Obviously both the finance board and the member of the FHLB want to ensure that the FHLB's have adequate capital positions. However, this should be accomplished through the risk weighting of assets and the establishment of retain earnings target that could be met over a reasonable period of time. Additionally, the holders of FHLB stock should not bear the impact of reduced or eliminated dividends in order to achieve retained earnings targets in an unreasonable time period.

Sincerely,

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