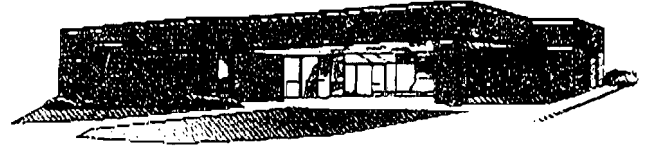




**FIRST
TUSKEGEE
BANK**
ESTABLISHED 1894

MEMBER FDIC
Accounts Insured up to \$100,000



July 13, 2006

BY FAX

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

Re: Proposed Excess Stock Restrictions and Retained Earnings Requirement for FHLBanks

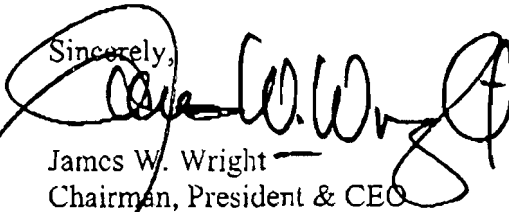
Federal Home Loan Banks (FHLBanks) have long been a key partner in providing several products which help member banks like ourselves meet the needs of the communities which we serve. Also as shareholders we receive a very competitive rate of return on our investments. In summary FHLBanks survival and performance are key to the survival of its members ultimately.

While we commend you in your efforts to ensure the capital adequacy of FHLBanks from a retained earnings standpoint and with the absence of any real crisis concerning capital your proposed rule will not fairly and adequately address this matter

In light of this we propose that you (1) withdraw the proposed rule or (2) revise the rule to apply risk weighting to the FHLBank's non advance assets so as not to penalize those Banks with less risky assets while rewarding those with riskier asset profiles. In addition we propose that a specific time frame be set for the Banks to meet the retained earnings requirement with no limitations on dividend payout to its members during this period so long as the Bank is on track to meet this requirement in the time period specified.

Thank you very much for the opportunity to comment on this very important matter

Sincerely,


James W. Wright
Chairman, President & CEO

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