



Established 1929

July 5, 2006

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

Re: Proposed rule that would change the capital structure of the FHLBanks

Dear Ladies and Gentlemen:

I am writing today on behalf of Wauchula State Bank, located in central Florida. The bank is a rural commercial bank with total assets exceeding \$500 million. Wauchula State Bank is a community bank that actively utilizes numerous programs available through the Federal Home Loan Bank of Atlanta.

I appreciate the opportunity to comment regarding the proposed rule that would change the capital structure of the FHLBanks by requiring a minimum amount of retained earnings and restricting the amount of excess stock that an FHLBank can accumulate.

As bankers, we understand the importance of FHLBanks in the day-to-day operations of our institutions. We use various FHLBank products and programs to meet the needs of our businesses and communities. Whether we benefit from Bank advances, mortgage purchase programs, affordable housing and community investment programs, or dividends, the role that FHLBanks play in our businesses is in many cases essential to our ability to extend vital financial services and credit to our communities.

For this reason, it is extremely important that in developing regulations aimed at ensuring the safe and sound operations of the FHLBanks, the Finance Board constructs its proposed rules in a way that does not impose unnecessary economic burdens on the FHLBanks or their member financial institutions.

With this in mind, I am asking that you withdraw the proposed rule; or minimally 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

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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.

I would be pleased to discuss this further and can be contacted at 863-773-4151. Again, I appreciate the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "J.W. Crews, Jr.", with a long horizontal flourish extending to the right.

J.W. Crews, Jr.
CEO and Chairman

KDM/kdm