



July 5, 2006

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

RE: Proposed Retained Earnings and Excess Stock Rule

To Whom It May Concern:

For community banks serving rural America, funding from the Federal Home Loan Banks is vital to our customers, the communities that we serve and to our own existence. The proposed changes in the capital structure for FHLBanks by requiring a minimum amount of retained earnings causes our industry great concern.

I am writing to request that the proposed rule be withdrawn. Short of that, I would respectfully request that it be modified to take into consideration the risk-weighting of assets held on the FHLBanks balance sheets, that a transition period be established for FHLBanks to achieve their retained earnings requirements and that no additional limits be imposed on the amount of earnings that can be paid in dividends, so long as the FHLBank has established an acceptable plan to meet its retained earnings target and is on schedule to do so.

I appreciate the opportunity to make my views known.

Sincerely,

A handwritten signature in black ink, appearing to read "G M Longest Jr", written in a cursive style.

George M. Longest, Jr.  
President

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