



July 3, 2006

Federal Housing Finance Board
Attention: Public Comments
1625 Eye Street, NW
Washington, DC 20006

Gentlemen:

I am writing to you with regard to the proposed rule published on March 15 which would change the capital structure of the FHLBanks by prescribing a minimum amount of retained earnings. Based upon the Bank's preliminary review of the proposal, it is anticipated that it would be in compliance with the requirement after the completion of two quarters following the adoption of a final rule. However, during the transition period the Bank's dividends would be significantly less than those historically paid. In addition, future dividend payments may be adversely affected in order to comply with the proposed minimum retained earnings requirement.

Please either withdraw the proposed rule or modify it to take into consideration the risk-weighting of assets held on the FHLBank's balance sheets, establish a specific transition period for the FHLBanks to achieve their retained earning requirement and ensure that during the transition period no additional limits are imposed on dividends.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce M. Keir", written in a cursive style.

Bruce M. Keir
President and Chief Executive Officer