



**FIRST  
NATIONAL  
BANK**

June 30, 2006

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

Re: Federal Housing Finance Board Proposed Rule:  
Excess Stock Restrictions and Retained Earnings  
Requirements for the Federal Home Loan Banks  
RIN Number 3069-AB30, Docket Number 2006-03

Ladies and Gentlemen:

We understand the importance of FHLBank Atlanta in the day-to-day operations of our bank. We use various FHLBank Atlanta products and programs to meet the needs of our business and communities. Whether we benefit from Bank advances, mortgage purchase programs, affordable housing and community investment programs, or dividends, the role that FHLBank Atlanta plays in our business 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 burden on the FHLBanks or their member financial institutions — particularly community banks such as us.

Please ask the Finance Board to (1) withdraw the proposed rule; or (2) 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 long as the FHLBank has established an acceptable plan for meeting and continuing to meet its retained earnings target and is on scheduled to do so

Thank you for considering this important issue to our industry.

Sincerely,

First National Bank of Shelby

Adelaide Austell Craver  
Chairman of the Board and CEO