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Memphis,

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

VIA FACSIMILE

To Whom It May Concern:

Please add my voice and the voice of the 28 employees of First Alliance Bank, Cordova, Tennessee, to those of my many fellow community bankers, national banking groups and the chairs and vice chairs of the 12 Federal Home Loan Banks around the nation speaking in opposition to the proposed capital rule changes for the Federal Home Loan Banking system.

Community banks like ours rely on the nation's Federal Home Loan Banks for a multitude of services not otherwise available in such an affordable and efficient environment. The proposed rule changes, I believe, would negatively impact this system which drives the affordable housing activity in most communities. The corresponding effects of this proposal will be felt throughout the entire banking system and in our economy at not only a local, but a national level.

The Federal Home Loan Bank of Cincinnati, to which First Alliance Bank belongs, is a strong partner on which the bank depends for short-term liquidity, long-term funding sources supporting owner occupied housing, affordable housing alternative programs and also a profitable investment return. The proposal as written would impose a one-size-fits-all retained earnings formula that would disregard the risk profile of each Federal Home Loan Bank and would negatively impact the credit rating of currently strong Federal Home Loan Banks, like Cincinnati. This would undoubtedly trickle down to the huge number of small and medium sized community member banks, like First Alliance Bank, and result in decreased profitability, restricted borrowing capacity and a reduction in community related affordable housing programs.

The Federal Housing Finance Board should strongly consider withdrawal of the proposed rule. Thank you for your consideration in this matter.

Sincerely yours,

L. Hunt Campbell
President and Chief Executive Officer