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July 6, 2006

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

Re: Proposed rule: Excess Stock Restrictions and Retained Earnings Requirements for the  
Federal Home Loan Banks; RIN 3069-AB30; Docket No. 2006-03

Dear Sir or Madam:

The New Jersey League of Community Bankers\* (“the League”) appreciates the opportunity to comment on the proposed rule regarding excess stock restrictions and retained earnings requirements for the Federal Home Loan Banks (“FHLBanks”).

Even though the direct impact of the proposed rule on the FHLBank of New York would be minimal, the League is concerned that as currently structured the rule could negatively impact the FHLBank System as a whole and its ability to effectively carry out its mission of fostering housing finance and community development. The League therefore urges the Federal Housing Finance Board (“Finance Board”) to withdraw the proposal and to instead issue an Advance Notice of Proposed Rulemaking, to permit a full airing of the important issues raised in the proposal.

The League does share the Finance Board’s concern that the FHLBanks be adequately capitalized, particularly since the obligations issued by the FHLBank System are the joint and several obligations of all of the FHLBanks and a problem at one FHLBank affects all FHLBanks.

Sincerely,

A handwritten signature in black ink that reads 'James R. Silkensen'.

James R. Silkensen  
President

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\* The New Jersey League of Community Bankers, founded in 1908, is a trade association representing 72 of New Jersey’s savings banks, savings & loan associations and commercial banks with total assets of over \$85 billion. The League’s wholly-owned subsidiary, the Thrift Institutions Community Investment Corporation (“T.I.C.I.C.”) assists League members in forming consortia to make loans on low-to-moderate income housing and economic development projects throughout New Jersey. Since its founding in September 1991, T.I.C.I.C. has closed almost \$250 million in loans to create nearly 4,700 units of housing affordable to families, senior citizens and citizens with special needs. In addition, TICIC’s loan pipeline will create another 640 residential units to serve the needs of communities throughout the state.

**Robert S. Monteith**  
**Chairman**  
President/CEO  
NVE Bank  
Englewood, NJ 07631

**Herbert L. Hornsby, Jr.**  
**First Vice Chairman**  
President/CEO  
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