



June 30, 2006

Chairman, Ronald A. Rosenfeld
Federal Housing Finance Board
1625 Eye Street NW
Washington, DC 20006

Re: Proposed Rule: Excess Stock Restrictions and Retained Earnings Requirements for the Federal Home Loan Banks, 71 Fed. Reg. 50, 13306 (March 8, 2006)

Dear Chairman Rosenfeld:

In March, the Federal Housing Finance Board issued a proposed rule that would change the capital structure of the Federal Home Loan Banks by imposing limits on the amount of excess stock that a Federal Home Loan Bank can have outstanding and by prescribing a minimum retained earnings threshold. Since the issuance of the proposed rule, our fellow bankers and trade agencies have expressed their concerns. The proposed rule would significantly reduce dividend payouts to member banks, greatly impacting earnings, while increasing overall borrowing costs.

The proposed rule will also significantly hurt the FHLBank's ability to provide low-cost funding to member financial institutions for housing, community development and liquidity thus reducing the effectiveness of the FHLBank's mission of helping the nation's homebuyers.

I strongly urge you and the other members of the Board to re-examine the proposed rule and consider amendments to protect the future of the Federal Home Loan Banks and its members.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Carroll". The signature is fluid and cursive.

Jessica Carroll
Vice President