



Bank of McKenney

Your link to quality service

June 23, 2006

Federal Housing Finance Board
Public Comments
1625 Eye Street, N.W.
Washington, D.C. 20006

RE: Proposed rule changing FHLBanks capital structure.

Dear Sir:

I am writing as a representative of a member bank of the FHLBank of Atlanta to voice my concern over the proposed retained earnings methodology for limiting dividends far below the historical average during the planned transition period and beyond. We utilize the FHLB for many services that have become vital to our meeting the needs of our community; however, we do count on the dividend revenue to justify our investment therein as well. When we try to better serve our localities, we must have rules that do not penalize our bottom line because of it (especially when the rule seems geared toward ensuring an already well-capitalized institution such as FHLB Atlanta is "well-capitalized").

We request and encourage you to either (1) withdraw the proposed rule in its entirety, or (2) modify the rule to:

- a. incorporate risk-weighting of assets into FHLB balance sheets;
- b. establish a specific reasonable transition period to achieve their retained earnings requirement; and
- c. exclude additional limits on dividends during the transition period when the FHLB has an acceptable plan for meeting and continuing to meet its retained earnings target and is on schedule to do so.

Thank you for your consideration in the above referenced matter. Please do all you can to both ensure the FHLB remains safe and sound as well as allow the FHLB and its member networks to continue meeting community needs.

Respectfully submitted,

Executive Vice President & CFO
Bank of McKenney