

To Whom It May Concern:

It is my opinion and the opinion of many in the banking industry that your capital rule proposal will be detrimental to the FHLB system. The proposed rule will cause deterioration in the strong financial position of the Cincinnati Bank. The one size-fits-all retained earnings formula ignores the risk profile of the bank. In addition, the rule on excess stock effectively dismantles the provisions of their approved Capital Plan.

The proposal may also have an adverse effect on smaller financial institutions that are FHL Bank members. The elimination of stock dividends will also have a negative consequence for members.

Please reconsider your position on this matter.

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