

Ladies and Gentlemen:

Sandy Spring Bank benefits greatly from the products and programs of the Federal Home Loan Bank of Atlanta. These products and services enable us to extend vital financial services and credit to our communities in Maryland.

I am concerned that the proposed rule that would change the capital structure of the FHLBanks by requiring a minimum amount of retained earnings and restricting the amount of excess stock an FHLBank can accumulate.

Because of this concern, I urge you to 1) withdraw the proposed rule; or 2) modify it to take into account the riskweighting of assets. In addition, I urge a specific transition period for the Banks to achieve retained earnings requirements. During this transition period, I urge that you place no additional limits on the amount of earnings that can be paid as dividends, so long as the Bank has established 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.

Hunter R. Hollar
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