



EASTMAN CREDIT UNION

"It's Your Money"®

June 5, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Attention: Public Comments
 Excess Stock Restrictions and Retained Earnings Requirements for
 The Federal Home Loan Banks
 #3069-AB30

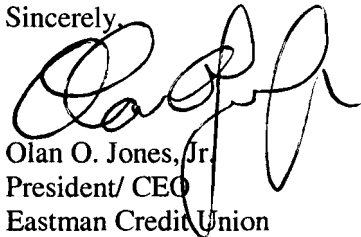
I am writing to express my concern over the impact of the proposed capital rule on the Federal Home Loan Bank of Cincinnati and its ability to support its housing mission. I represent Eastman Credit Union, a member of the Federal Home Loan Bank. We have partnered with the Federal Home Loan Bank through its Welcome Home program to provide over \$500,000.00 in home ownership assistance. These funds have assisted in the purchase of over \$35,000,000.00 in homes for our members of modest means. In addition, we are currently involved in a partnership to provide another \$100,000.00 in home ownership assistance to minorities through the American Dream Homeownership Challenge program.

The Federal Home Loan Bank's affordable housing programs provide us with a very powerful tool to address housing needs of our members with limited resources. These members have been able to realize the dream of home ownership with competitive interest rates and affordable payments, and have begun to build equity and wealth for their future.

The Federal Home Loan Bank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the Federal Home Loan Bank, reduce its profitability, and increase costs to our institution, all to no apparent benefit. Why penalize the Federal Home Loan Bank member lenders and Eastman Credit Union members? With fewer state and federal housing dollars available for targeted affordable housing, I strongly urge you to reconsider this restrictive regulation that will result in lower Federal Home Loan Bank profits and, by extension, fewer residents gaining access to affordable housing.

Thank you in advance for your consideration.

Sincerely,



Olan O. Jones, Jr.
President/ CEO
Eastman Credit Union