

June 13, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington D.C. 2006

Attention Public Comments: Proposed Rule: Excess Stock Restrictions and Retain Earnings Requirements for FHL Banks.

Dear Board Members:

As a member of the Cincinnati FHL-Bank I am asking for you to consider the value of rejecting the Excess Capital and Retained Earnings Rule.

Our institution has been the beneficiary and therefore many of our local members here in the Knoxville area from the relationship we have with the Cincinnati FHL-Bank (Bank). The ability to match long term assets in the form of home loans to consumers has greatly assisted us. We would not have made those loans without the Bank's programs. During our membership our Credit Union also has been able to compete and have been awarded Affordable Housing Grants as well as Welcome Home grants to assist with housing for those consumers challenged to have sufficient funds to purchase a home. We particularly appreciate these benefits that enable us to reach and serve our members better.

A major concern we have is that the analysis of our Bank's professional staff indicates that the rule would curtail these beneficial programs to our members and as a result our efforts to provide the benefits of home ownership to those in need of the loans and assistance provided through the Bank to our Credit Union.

As a long term investor and stockholder in the FHL-Bank of Cincinnati our experience indicates the Bank to be well capitalized and conservatively managed with appropriate risk taking. From our vantage point, the rule would be contrary to the mission of the FHL-Banks' in facilitating home ownership to people of all walks of life. The Board's specific concerns about individual District risk and financial profiles should not create a broad rule making that curtails the great positive outcomes that FHL-Bank of Cincinnati avails to its members. I urge the Board to deal with any specific issues on a District by District basis and allow our FHL-Bank of Cincinnati to continue its operations unimpeded by the proposed rule.

Thank you for this opportunity to comment.

Sincerely,

John McKittrick,
President
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