



Wayne County Bank

"Until It Grows On Trees, See Us"

Main Office
216 S. High St.
P.O. Box 247
Waynesboro, TN 38485
931-722-5438
Fax 931-722-7441
June 8, 2006

Collinwood Branch
201 S. Hwy. 13
P.O. Box 248
Collinwood, TN 38450
931-724-9122
Fax 931-724-5329

Federal Housing Finance Board
6125 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 FHLBank of Cincinnati and its ability to support its housing mission. I represent Wayne County Bank, a member of the FHLBank. We have partnered with the FHLBank through its Welcome Home Program to provide down payment assistance. We live in a rural county in southern Middle Tennessee and this is the most successful program that we have to offer our customers.

FHLBank funding is often the critical first level of financial commitment to complex housing projects. It helps leverage other sources of public and private funding and brings together the necessary partners and leaders for effective development. The FHLBank's affordable housing programs provide us with a very powerful tool to address the housing needs of customers with limited resources. These customers may be on the threshold of starting new jobs, opening their first business, or making that jump to homeownership to begin building equity for the future.

The FHLBank 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 FHLBank, reduce its profitability, increase costs to our institution, all to no apparent benefit. Why penalize the FHLBank member lenders and our customers? 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 FHLBank profits and, by extension, fewer residents gaining access to affordable housing.

Sincerely,

Martin L. Haggard, Jr.
Vice President

Court Square Branch
110 W. Public Square
P.O. Box 158
Waynesboro, TN 38485
931-722-5555

Clifton Branch
205 Main St.
P.O. Box 676
Clifton, TN 38425
931-676-2274

64 Express
312 Hwy. 64 East
P.O. Box 247
Waynesboro, TN 38485
931-722-3350