



June 7, 2006

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

Gentlemen:

I wanted to make a comment on the proposed regulation on excess capital stock and retained earnings. If stock dividends are prohibited this would have a very harsh effect on the banking industry. The stock that banks hold now would become a non-earning asset and may need to be charged off. There should be member input as to limits on excess stock. There should be reasonable phase in periods. Retained earnings for money market assets should be reduced. There should be no dividends restrictions imposed. I believe the proposed rule should be withdrawn so that the capital issues can be studied with membership input. This rule would have very serious consequences on the banking industry and I would ask that you would take into consideration the above comments and let members have input. Thank you.

Sincerely,

Jerry D. Hanzlick
President