



May 3, 2006

Federal Housing Finance Board  
Attention: Public Comments  
1625 Eye Street, N.W.  
Washington, D.C. 20006

Gentlemen:

I recently received a letter from the Federal Home Loan Bank of Atlanta regarding the proposed rule that would change the capital structure of the Federal Home Loan Banks.

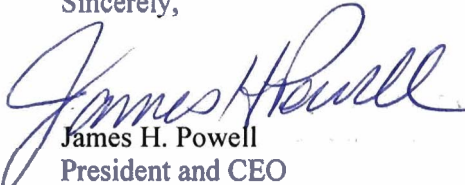
After reviewing the letter from the Federal Home Loan Bank and reading other industry information about the proposed change, I would like to make several comments.

- 1 I believe it is important for the Federal Home Loan Banks to be well capitalized and to maintain a strong level of retained earnings.
2. In its proposed form the rule appears to be too general to adequately address the differences in FHLB assets. Some element addressing the risk characteristics of the assets by the Federal Home Loan Banks should be incorporated.
3. The current proposal would seriously curtail, and perhaps eliminate, dividends for some period of time to owners of Federal Home Loan Bank stock. Since stock ownership is a requirement to participate in the system, this seems to be a breach of trust to those of us who have made required capital investments.

Overall, the Federal Home Loan Bank of Atlanta seems to be well managed and well operated, and though we are a limited user, it is both convenient and beneficial to us to have the programs of the Federal Home Loan Bank available. Having been a participant in the Federal Home Loan Bank programs for the past twelve-plus years, I can safely say that this change will make it more difficult and more expensive to utilize the services of the Federal Home Loan Bank.

If you feel the new rule is necessary, I would recommend serious consideration be given to making it more appropriate. We will have to evaluate our membership in light of the final changes that are resultant from this new regulation.

Sincerely,

  
James H. Powell  
President and CEO

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