

May 19, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, D.C. 20006

Attn: Public Comments, Proposed Rule: Excess Stock Restrictions and Retained Earnings Requirements for the FHLBanks

To Whom It May Concern,

I am writing to make you aware of our strong opposition to the Federal Housing Finance Board's proposed excess capital stock/retained earnings rule. I believe very strongly that this rule is harmful to the Cincinnati FHLBank and makes our membership in that entity much less desirable. This proposed rule, with its "one size fits all" formula, is unfair to a well run organization like the Cincinnati FHLBank which is well capitalized, conservatively managed and a low risk profile institution.

We believe the current triple A rating for the Cincinnati FHLBank is at risk as the proposed rule would lower liquidity, capital levels and profitability to meet the standards in the rule.

We further believe value of membership is deteriorated because:

- Fewer product offerings will be available as liquidity declines
- Cost of business with FHLBank will increase due to the reduction and elimination of the corporate FHL Bank capital plan
- A tax event will occur on excess stock redeemed by FHLBank
- Tax deferrals will be eliminated on future dividends as stock dividends will be prohibited.

We have enjoyed our association with the Cincinnati FHLBank over the years and feel these proposed rules are not necessary and will harm our ability to provide additional financing for programs like Affordable Housing, New Neighbors and American Dream Homeownership Challenge due to declining profits and retained earnings shortfalls for the Cincinnati FHLBank.

Please consider the risk profile of the individual FHL banks. Do not group them together which will negatively impact a strong, safe, sound institution like the Cincinnati FHLBank.

I appreciate your consideration in this matter.

Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark A. Gooch". The signature is fluid and cursive, with a large, stylized initial "M" and "G".

Mark A. Gooch,
President and CEO

MAG/kjs