

July 10, 2006

Ronald A. Rosenfeld
Chairman
Federal Housing Finance Board
1625 Eye St., N.W.
Washington, D.C. 20006
ATTENTION: Public Comments

Re: Federal Housing Finance Board; Proposed Rule: Excess Stock restrictions and Retained Earnings; RIN Number 3069-AB30; Docket Number 2006-03

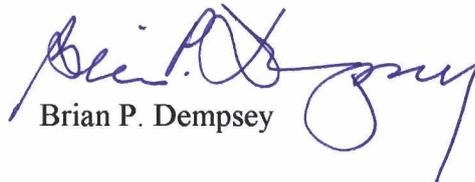
Dear Mr. Rosenfeld:

I am writing to you as a Director of HomeStreet Bank a member of the FHLB of Seattle. I have previously served as a Director of the FHLB of Seattle. Our institution relies on the Seattle Bank for liquidity and funding, as well affordable housing and community investment products. Our institution currently carries a significant amount of FHLB stock on its balance sheet, over \$37 million at June 30th. My biggest concern as a Director of HomeStreet Bank is that this investment has become a non-earning asset. I believe the Seattle Bank has taken the necessary steps to return to profitability and resume dividend payments at the earliest possible date.

The proposal that you have put forth appears to extend the period of time that this asset will continue in its non-earning capacity, but not significantly enhance the value or safety of our investment.

I strongly urge the Finance Board to withdraw the proposed rule.

Sincerely yours,


Brian P. Dempsey