



July 10, 2006

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

Re: Federal Housing Finance Board Proposed Rule: Excess Stock Restrictions and Retained Earnings Requirements for the Federal Home Loan Banks; RIN Number 3069-AB30, Docket Number 2006-03

Ladies and Gentlemen:

The purpose of this letter is to register our objection to the proposed rule as originally drafted by the Federal Housing Finance Board that would change the capital structure of the Federal Home Loan Banks by requiring a minimum amount of retained earnings and restricting the amount of excess stock that an FHLBank can accumulate.

Pursuant to guidance from the Finance Board in late 2003, FHLBank Atlanta established a management policy that effectively addresses the key elements of risk to the Bank's capital position. This methodology is more appropriate than the approach defined in the proposed rule as it focuses directly on risks that are unique to each FHLBank. As a result, the policy provides for a more accurate measurement of risk as well as an effective plan to maintain regulatory compliance.

We appreciate the opportunity to offer our position on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'JAW', written over a large, stylized, handwritten flourish that loops around the signature.

James A. Wilson, Jr., CPA, CFA
CFO/Senior Vice President
First Federal Savings Bank of Virginia
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