
From: Keasling, Dale
Sent: Thursday, May 25, 2006 11:04 AM
To: 'comments@fhfh.gov'
Cc: Thomas, Ray
Subject: FHLB Proposed Excess Capital Stock/Retained Earnings Rule

TO: Board of Directors
Federal Housing Finance Board

FROM: Dale A. Keasling
President and CEO
Home Federal Bank of Tennessee
Knoxville, TN

In this letter we are expressing our opposition to the Proposed Excess Capital Stock/Retained Earnings Rule for Federal Home Loan Banks.

In our opinion, the proposed rule is both unnecessary and harmful to the Cincinnati FHLBank. The FHLBank of Cincinnati is a well-capitalized, conservatively managed, low-risk profile institution that will be negatively affected by the "one size fits all" formulas in the proposed rule. In summary, the proposed rule will put the Cincinnati Bank's AAA rating at risk, reduce the value of FHLBank membership, and reduce member participation in several important affordable housing programs.

Clearly, this proposed rule does not take into account the individual risk profiles of the 12 FHLBanks and we are herein expressing our opposition.