



Georgia Bankers Association  
*Resources for Better Performance*

June 27, 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

Dear Sir or Madam:

On behalf of the Georgia Bankers Association (GBA), I am writing to comment on the above referenced proposed rule issued by the Federal Housing Finance Board (FHFB) that would require the Federal Home Loan Banks (FHLBanks) to maintain a minimum amount of retained earnings and would restrict the amount of excess stock that an FHLBank can accumulate. The GBA represents more than 350 commercial banks and thrifts throughout Georgia and a majority of those banks are members of the Federal Home Loan Bank of Atlanta (FHLB of Atlanta).

Of particular concern is the impact the proposal's retained earnings requirement would have on the availability of funding from FHLBanks. The FHLB of Atlanta already has a stringent retained earnings policy in place that is reviewed by its Board of Directors quarterly. If an FHLB is arbitrarily forced to have a retained earnings minimum of \$50 million plus 1% of all non-advance assets, less capital will be available for providing advances to our member banks for their lending operations. Many of these banks rely heavily on the FHLB of Atlanta as a low-cost funding source. We are concerned that this funding would diminish under the proposal to the detriment of the communities they serve.

We urge you to withdraw the proposal and reexamine this concept taking into account our comments.

Sincerely,

A handwritten signature in black ink that reads "Joe Brannen". The signature is written in a cursive style with a long, sweeping underline.

Joe Brannen  
President