



July 3, 2006

Federal Housing Finance Board
1625 Eye Street NW
Washington DC 20006
ATTENTION: Public Comments

RE: Proposed Rule on Excess Stock Restrictions and Retained Earnings Requirements for the Federal Home Loan Banks. RIN Number 3069-AB30; Docket Number 2006-03

Dear Federal Housing Finance Board,

FHLB membership is very important to our Bank. We opened in November 2003 and were profitable within 8 months. Our profitability to a large extent is due to our FHLB advances. We were able to utilize FHLB advances to fund loans and help grow into a very profitable locally owned community bank. We have also utilized the FHLB MPF program in order to better serve our loan customers. Due to our use of FHLB advances, we were required to purchase stock in the FHLB of Topeka. This investment has provided a reasonable return via dividends for the Bank which has also improved profitability and the ability to serve our local community. We use the FHLB versus other sources of funds because of their stability, rate structure choices and risk.

We disagree with the proposal which would restrict the ability of the FHLB to manage their capital in accordance with the current rules. They have spent significant resources in developing capital plans and improving their capital management. Since the FHLB's are currently considered adequately capitalized, we also disagree with the proposals which may restrict the ability of the FHLBs to pay dividends to their members. We urge you to withdraw this proposal.

Thank you for your consideration of this request.

Sincerely,

Frank DeLay
President

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