



EL DORADO SAVINGS BANK

July 3, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Re: Federal Housing Finance Board Proposed Rule: RIN Number 3069-AB30,
Docket No. 2006-03

Dear Sir or Madam:

El Dorado Savings Bank is concerned about the proposal by the Federal Housing Finance Board regarding excess stock restrictions, stock dividends, and retained earnings requirements for Federal Home Loan Banks. El Dorado Savings Bank is a community bank with over \$11 million of Federal Home Loan Bank of San Francisco stock and approximately \$72 million of outstanding advances. Federal Home Loan Bank advances and consistent stock dividends are essential to our mission of meeting the credit needs of our local communities. Since the proposed rule regarding retained earnings would impact future stock dividends and potentially affect the availability of reasonably priced advances, we request that the Federal Housing Finance Board withdraw its proposed rule and proceed with an Advance Notice of Proposed Rulemaking.

Very truly yours,

Thomas C. Meuser
Chairman and Chief Executive Officer

TCM:ms



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