



# FARMERS BANK

June 12, 2006

Federal Housing Finance Board  
1625 Eye Street NW  
Washington, D.C. 20006

Attn: Public Comments  
Proposed Rule: Excess Stock Restrictions & Retained Earnings  
Requirements for the FHLBanks  
RIN Number 3069-AB30  
Docket Number 2006-03

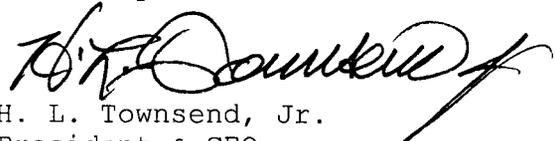
Farmers Bank submits the following as our comment on the Proposed Rule.

We appreciate the opportunity to comment. While we agree that any private or governmental agency that has on going significant safety and soundness responsibilities and therefore a justification for regulatory oversight, we also believe that such oversight should be beneficial rather than detrimental.

We believe that several items in the proposed revision will have an effect opposite of what is intended. The Federal Home Loan Bank of Cincinnati has outlined in detail concerns that we share.

We cannot over emphasis the need and benefit of the Home Loan Bank as a source of funding and liquidity for small banks such as Farmers Bank; therefore we request servious consideration of our concerns before any final revisions.

Sincerely,



H. L. Townsend, Jr.  
President & CEO

Cc: Marsha Blackburn