

From: Yvette N-Boutall [yvette@cedaorg.net]
Sent: Tuesday, July 14, 2009 6:36 PM
To: !REG-COMMENTS
Cc: Robert Wharton
Subject: FW: The Letter You Requested

Please find attached comments.

From: Jonathon Fair
Sent: Tuesday, July 14, 2009 5:18 PM
To: Yvette N-Boutall
Subject: The Letter You Requested

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency, Fourth Floor
1700 G. Street, NW
Washington, DC 20552

ATTN: Comments/RIN 2590-AA18

Dear Mr. Pollard,

On behalf of my organization, CEDA Community Development Fund; I appreciate the opportunity to comment on the Federal Housing Finance Agency's (FHFA) request for comments on the proposed rule published in the Federal Register on May 15, 2009 regarding community development financial institutions' (CDFIs) membership in the Federal Home Loan Bank System (FHLBank System).

CCDF is a separate 501C3 from our parent CEDA, Inc. (a not for profit community action agency).

Opportunity Finance Network (OFN) addressed all question posed by the FHFA regarding the proposed rule and I encourage you to follow the guidance provided by OFN.

In particular, I strongly urge the FHFA to consider CDFIs as community financial institutions. My CDFI falls well

below the \$1 billion asset threshold and we provide different types of lending, not just housing. We make loans to small business who need financing for machinery, equipment, inventory, and working capital. These businesses create jobs for the under employed, unemployed and low income people in underserved communities. The FHFA should consider CDFIs community financial institutions because they ARE community financial institutions. Not only would this help CDFIs like mine continue to offer much-needed services, but it would also allow us to help the FHLBs fulfill their mission for both affordable housing and community investment. (People must have jobs in order to rent or purchase a home).

You are also proposing a minimum net asset ratio no greater than 10 percent for membership eligibility. I believe this is unduly high and out of line with other financial entities, which are considered well capitalized with a net asset ratio of three to seven percent. A lower net asset ratio of 10 percent for membership eligibility is more appropriate since my CDFI has a sound equity base and we use that equity to leverage debt.

I would also like to emphasize the following points that Opportunity Finance Network made in its comment letter:

a.. I agree with the FHFA that there is no need for a self-sufficiency ratio. My CDFI provides technical assistance and other services to our borrowers as part of our mission. My organization should not be penalized for following CDFI certification requirements.

b.. CDFIs should be considered in compliance with the community support regulation by virtue of certification as a CDFI.

c.. The FHFA should require each FHLB to report on how many CDFIs applied for membership; how many were accepted as members; how many were rejected and why; and the CDFI members' use of advances.

CEDA CDF is an organization with CDFI credentials that provide loans to small businesses that are expanding and willing to hire one person for every \$20,000 lent to them. In addition to the CCDF portfolio, we manage three loan funds which total over \$18 million in loans, which has leveraged over \$100 million in other resources. As a result, 1,200 jobs were created for low wealth individuals residing in the community. Opportunity Finance Network addressed all questions posed by the FHFA regarding CDFI membership, and again, I urge you to refer to OFN's comment letter to provide guidance.

In general, the proposed rule recognizes the unique characteristics of CDFIs and the valuable contribution we make to low-wealth and low-income communities across the nation. I would like to express my gratitude to the FHFA staff who undertook this endeavor to understand CDFIs and their benefit to the Federal Home Loan Bank System. I encourage you to finalize the proposed rule with the changes suggested as soon as possible.

Thank you for the opportunity to comment. Please do not hesitate to contact me at 312-795-8980 or

yevette@cedaorg.net, if you have questions or need additional clarification.

Sincerely,

Yevette N. Boutall

Executive Director,

CEDA Community Development Fund

208 S. LaSalle Street, Suite #1900

Chicago, IL 60604

Confidentiality Warning:

This message may contain information (including any attachments) that is confidential and/or protected by law. It is for the exclusive use of the intended recipient(s). If you are not the intended recipient(s), you are hereby notified that any dissemination, distribution, copying or communication of this message is strictly prohibited. If you have received this communication in error, please immediately notify the sender by return e-mail, delete the message and call (312) 795-8621. Please note that although we will take all commercially reasonable efforts to prevent viruses from being transmitted from our systems, it is the responsibility of the recipient to check for and prevent adverse action by viruses on its own systems. Any views expressed in this communication are those of the individual sender, except where the sender specifically states them to be the views of Community and Economic Development Association of Cook County, Inc.

Disclaimer added by CodeTwo Exchange Rules free version.
www.codetwo.com