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25 Years of
Building
Houses*

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, D.C. 20024

Re: **Notice of Proposed Rulemaking and Request for
Comments – Members of Federal Home Loan Banks
(RIN 2590-AA39)**

Mr. Pollard:

Almost Heaven Habitat for Humanity is a non-profit affordable housing partner that works closely with community lenders and FHLBank Pittsburgh. We have observed firsthand the important role that the FHLBank plays in providing funding for community banks. The proposed rule will profoundly change the relationship between FHLBanks and their member banks that is so important to the affordable housing community in their local markets.

This rule will make membership in the FHLBank less attractive to banks and credit unions since continued access to FHLBank funding will be contingent on new ongoing asset tests. This will no doubt result in decreased lending by the FHLBanks which will hurt earnings. As you know, 10% of the net earnings of each FHLBank funds its Affordable Housing Program (AHP) Since 1990, FHLBank Pittsburgh has provided approximately \$183 million in AHP grant awards that have created more than 28,000 units of housing for low or very low-income residents including over nearly 100 units in our community. If current and prospective membership in an FHLBank is threatened, FHLBank Pittsburgh's ability to provide AHP grants to affordable housing partners will be diminished. In short, FHLBank Pittsburgh will have fewer funds available to provide AHP grants to support very-low and low-income housing. The recent HMDA data for 2013 shows the share of home mortgage loans to borrowers with incomes at or below 80% of area median income (borrowers served by FHLBank's AHP program) fell to only 26% of the total mortgage loans made in 2013. Consequently, a reduction in funding for housing for low-income borrowers at this time of fragile housing and mortgage markets is particularly damaging. The partnership that

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results between banks, affordable housing groups and FHLBanks for a successful AHP program saves at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks. Working together, we keep people off the streets and help stabilize lives and communities.

We have used FHLBank AHP funds to empower homeless veterans, single mothers, and struggling families to become thriving homeowners. Without AHP funds this would not have been possible. The AHP program has also helped us to foster a closer relationship with Pendleton Community Bank, a local community banks. This new partnership has opened up new capitol to us through construction loans at Pendleton Community Bank. This proposed new rule will hurt Habitat for Humanity and the low-income families we serve.

We may not be FHLBank stockholders, but we are stakeholders. The neighborhoods we serve require access to credit to build new housing, rehab existing stock and stimulate community investment. An arbitrary asset test for continued FHLBank membership will achieve the opposite effect. Our relationship with vulnerable populations with urgent needs for safe and affordable housing leads us to conclude that restricting the continued access of banks and credit unions to FHLBank membership will hurt communities.

Almost Heaven Habitat for Humanity strongly urges FHFA to withdraw RIN 2590-AA39.

If you have any additional questions about our comments, please feel free to contact me at 304.358.7642.

Sincerely,

Michelle L. Connor
CEO, Executive Director
Almost Heaven Habitat for Humanity

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