

# *Developmental Services, Inc.*

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November 5, 2014

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

RE: Notice of Proposed Rulemaking and Request for Comments – Members of FHLBanks  
(RIN 2590—AA39)

Dear Mr. Pollard:

I am writing you to express my concern about the notice of proposed rulemaking membership eligibility in Federal Home Loan Bank (FHLB) issued by the Federal Housing Finance Agency (FHFA) and ask that you consider withdrawing RIN 2590-AA39.

Developmental Services, Inc. (DSI) is an Indiana not-for-profit corporation, with a mission “To provide services and supports to people with barriers to attain self-direction, inclusion, personal fulfillment, and productivity in all life areas”. The mission to support persons with barriers also includes helping clients become more self sufficient by providing them with safe, decent, and affordable housing choices. DSI has developed two affordable housing project in rural Indiana designed to meet the needs of its clients. Developing quality affordable housing for low- to moderate-income families is challenging in small communities and require a multitude of sources to complete the process. The Affordable Housing Program (AHP) has been a vital source of funds in these affordable housing projects developed for low- to moderate-income families and seniors.

In 2008, Tree City Estates was awarded \$400,000 in AHP funds to help build a 64-unit affordable housing development in Greensburg, Indiana. We recently received another \$500,000 in AHP funds to help develop Tree City Village, a 39-unit affordable housing development also in Greensburg. This rural community of only 11,492 persons lacked adequate affordable rental housing for individuals, seniors, and families. Based on the risk associated with rental housing in a rural community it was a challenge to attract “Big City Lenders”. We were fortunate to have the opportunity to work with Ameriana Bank, a small community lender, as a sponsor for the AHP application for both projects. AHP funds were a vital source of funding for both projects and it will continue to be a vital source of funding in our efforts to bring more affordable housing to low- to moderate-income families.

This proposed rule would impose burdens on member banks, specifically small and medium sized member financial institutions, which would discourage them from joining the Federal Home Loan Bank reducing/limiting the number of banks available to sponsor affordable housing projects. Small member banks were key to providing lending and sponsorship of these rural Indiana housing projects that were not high priority for larger financial institutions. This rule would reduce the

number of banks, potentially small local banks, willing to sponsor affordable housing projects in rural communities, therefore limiting the number of affordable housing choices for families and seniors in these communities.

The AHP program and the pool of member banks available to sponsor future affordable housing projects are critical to providing safe, decent affordable housing choices to all low- to moderate-income families and seniors. This rule proposed by FHFA would have a negative impact on our ability to garner sources of funding to continue developing much needed affordable housing. We would respectfully ask FHFA to consider withdrawing RIN 2590-AA39 in an effort to help us continue to strengthen local communities through the creation of quality affordable housing choices.

Sincerely,

A handwritten signature in black ink, appearing to read "William K. Hadar", with a stylized flourish at the end.

William K. Hadar, CEO