



Sussex County  
**Habitat  
for Humanity®**

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:

As an 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. 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 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.

Thanks to our strong partnership with Federal Home Loan Bank of Pittsburgh, Sussex County Habitat for Humanity has been able to serve 70 households in the past eight

**Board of Directors**

Bill Anderson  
Howard Backus  
Kathy Goodman  
Rene Knight  
Scott Lanham  
Mary Ann Leager  
Richard Legatski  
Bob McVey  
Patricia Pfarrer  
Lloyd Richter  
Larry Rohlfing  
Bruce Wright

What will *you* build?

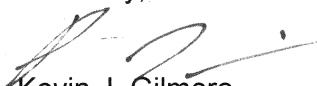
P.O. Box 759 Georgetown, DE 19947  
Phone: (302)855-1153 - Fax: (302)855-9262  
[www.sussexcountyhabitat.org](http://www.sussexcountyhabitat.org)

years with the opportunity to build and own a simple, decent and affordable home. 52 of these homes were made possible with funding from the FHLB Affordable Housing Program. Without the AHP program, our organization would not be able to operate as we do today, and our ability to bring the people together to build homes, communities and hope would be greatly diminished. Because of the AHP, we have been able to stabilize communities, bring together thousands volunteers and help 70 households become engaged, stable and active members of their community.

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.

Sussex County Habitat for Humanity strongly urges FHFA to withdraw RIN 2590-AA39.

Sincerely,



Kevin J. Gilmore  
Executive Director