



December 3, 2014

Mr. 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)**

Dear Mr. Pollard:

Bethesda Mission of Harrisburg is an affordable housing partner that works closely with community lenders and FHLBank Pittsburgh. We know the crucial role FHLBanks serve in providing funding for community banks. This proposed rule would alter the relationship between FHLBanks and their member banks and potentially harm affordable housing.

Bethesda Mission operates two homeless shelters, two transitional living facilities, and several support activities for the poor in the Harrisburg Area. Our organization has received \$500,000 in grants from FHLBank Pittsburgh for the purpose of enhancing our men's shelter to accommodate seventy-eight men who otherwise would be on the street. This assistance has made an important difference in our ability to house homeless people. We also have near term plans to partner with FHLBank Pittsburgh on other similar projects.

It appears to us that the time period (annual) for ongoing reviews of banks, insurance companies, and credit unions is too short and too frequent. Smaller institutions will be particularly affected. The result will be that the proposed rule will make membership in the FHLBank less attractive to banks and credit unions since continued access to FHLBank funding will be contingent on these unnecessary new ongoing asset tests. Such onerous annual burdens as proposed will increase compliance costs with no discernable benefits. Just because regulatory compliance is painful and expensive does not make it worthwhile!

This will no doubt result in decreased lending by the FHLBanks which will hurt earnings. Ten percent of the net earnings of each FHLBank are directed to fund its Affordable Housing Program (AHP). Since 1990, FHLBank Pittsburgh has provided approximately \$183 million in AHP grant awards to create more than 28,000 units of housing for low or very low-income residents. Should current and prospective membership in an FHLBank be threatened, FHLBank Pittsburgh's ability to provide AHP grants to affordable housing partners will be diminished. Fewer funds will thus be available to provide AHP grants to support very-low and low-income housing. There exists a stable partnership between banks, affordable housing groups and FHLBanks through the AHP program that keeps at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks.

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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 and hurt communities in the process. As a stakeholder in this process, Bethesda Mission of Harrisburg strongly urges the FHFA to withdraw RIN 2590-AA39.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Wingate', is positioned below the word 'Sincerely,'.

Charles L. Wingate  
Executive Director & CEO

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