

# Tamaqua Area Community Partnership

114 West Broad Street  
Tamaqua PA 18252  
570-668-6899  
[www.tacp.info](http://www.tacp.info)

December 9, 2014

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

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

Dear Attorney Pollard:

I am a husband and father of three who decided, with my wife, to remain in the small coal town of Tamaqua, Pennsylvania (pop. 7,000), the community where I grew up.

With 8 decades of declining population, 22% poverty and declining coal, railroad, manufacturing, textiles and chemical industries there have been few economic bright spots in anyone's memory. In Tamaqua, the involvement of the Federal Home Loan Bank of Pittsburgh and its member banks are a significant help in *finally* improving our economic outlook, and I am deeply concerned that the regulation under consideration will eliminate—or at a minimum—severely diminish our ability to work together to continue this work. Equally troubling is the impact the regulation will have on other communities—both larger and smaller than Tamaqua.

I serve as the President of our local Borough Council and work with a local non-profit community development organization called the Tamaqua Area Community Partnership. Professionally, I am the administrator of three Rural Health Clinics that serve uninsured and patients with limited care options.

I've lived in Tamaqua all my life and been working to better my community for the past 20 years and the proposed regulation will negatively impact my community, my neighbors and my family.

First, I must say that I understand why it is important for FHLBs and their members to prioritize home mortgages, mortgage backed securities and other products that support the home loan sector. My \$68,000 home in Tamaqua is by far my family's biggest asset and its equity is our savings. More importantly, it's the place where my children are growing up and where we are building our lives and memories together. Policies that strengthen and support that dynamic are Good.

The rule under consideration, however, will hurt this dynamic in my community. The arbitrary asset thresholds will push out important local FHLB members—members whose membership in FHLB creates a strong FHLB that then provides excellent access to funds for all member institutions. The exclusion of members will have a direct impact on my community because those excluded members will lose access to capital and the remaining FHLB system will be weakened by their absence. Members will lose membership and will lose access to one of the best local financial institution funding systems in today's world. For this reason alone, this rule should be rejected.

The negative impact of this proposed rule, however, goes beyond weakening the FHLBs and denying access to local institutions. The rule, if not rejected, will erode membership and significantly reduce the investments in communities that result from strong FHLB earnings.

Ten cents out of every dollar of FHLB earnings goes to direct investments in places like Tamaqua through the Affordable Housing Program (AHP). Your mailbox is probably full of letters with data about how much total AHP funds are expended each year across the county. It's significant.

What's most important to me and Tamaqua is what the AHP program did to convert two old, abandoned blighted properties ("shitholes" in our coal-region vernacular) in my neighborhood. These buildings were vandalized, boarded-up, broken into, used by squatters, used by drug users and—believe it or not—are located at one of the busiest bus stops in our school district! Our community didn't like that our children had to wait for the bus at this dangerous location but, frankly, we had no hope that anything could be done about it.

The FHLB of Pittsburgh and its members did not swoop in and save the day. Instead they invested first in our people—in me and others like me—through their Blueprint Communities program which gives local people and their local financial institutions the skills, capacity and the ability to pick our heads up and plan for a better future for places like Tamaqua. Through the Blueprint Communities process, we learned how to develop a plan, how to implement that plan and how to find and use tools to repurpose old shitholes like the two buildings in my neighborhood. And only then did AHP provide a relatively small portion of what would become a \$3.2 million 12-unit redevelopment of the Boot & Shoe Factory and a \$3.8 million 14-unit redevelopment of the Liberty Hall.

I'm told that these developments are "small" compared to most AHP projects but there is nothing small about a \$6.8 million investment in Tamaqua! I invite you to visit so I can show you how these two affordable housing developments have transformed the neighborhood and are now providing much-needed high quality housing to seniors, veterans, families and other wonderful people in those 26 units who are now my neighbors. The transformation is remarkable and the bus stop is busier than ever.

At the time I didn't know or care where the AHP funds really come from. But I sure know now. And I also know that the rule before you would reduce those funds making it impossible for someone else's neighborhood to be improved like mine.

Tamaqua's people—like other communities—need access to credit. We need strong financial institutions in our local economy. And we need more, not fewer, transformations of existing building stock in to high quality affordable housing.

Yes, RIN 2590-AA39 is unfair to FHLB members and future members, but more importantly, it will adversely impact places like Tamaqua. The FHFA is urged to withdraw RIN 2590-AA39.

Sincerely,



Micah Gursky  
Tamaqua Area Community Partnership  
114 W Broad St  
Tamaqua PA 18252

*P.S. I would be happy to meet with you to discuss this matter further.*