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December 11, 2014

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:

As a housing finance agency 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. Further, this will no doubt result in decreased lending by the FHLBanks which will reduce earnings. As you know, 10% of the net earnings of each FHLBank fund 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 affordable homes. If current and prospective membership in a FHLBank is threatened, the ability to provide AHP grants to support affordable housing will be diminished.

As a member of the FHLBank Pittsburgh's Affordable Housing Advisory Council (AHAC) and the Director of the Delaware State Housing Authority, the State's Housing Finance Agency (HFA), I can attest to the impact of the AHP on affordable housing initiatives in Delaware. Since 1990, FHLBank Pittsburgh has provided approximately \$13 million in AHP grants in Delaware, creating over 1,400 units of housing. In 2012-2014 alone, \$3.8 million in AHP grants to 15 projects in Delaware created 176 units of affordable housing and leveraged \$26.6 million in total development costs. Many of these projects are leveraged by state and federal funding from DSHA: creating and preserving critically needed affordable rental housing; reinvesting in

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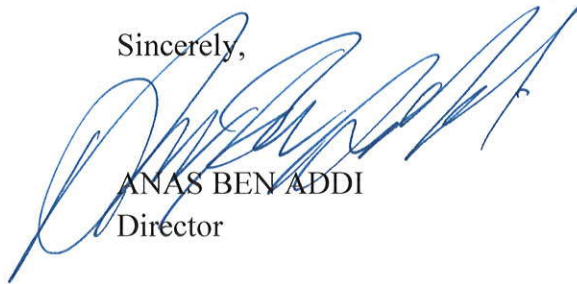
distressed neighborhoods and downtowns; and creating homeownership opportunities for low-income households.

The partnership that results between banks, affordable housing groups and FHLBanks for a successful AHP program helps stabilize lives and communities, serving at-risk families, veterans, seniors and people with disabilities while also reinvesting in communities.

The neighborhoods we serve require access to credit to build new housing, rehab existing homes and stimulate market activity and investment. An arbitrary asset test for continued FHLBank membership will achieve the opposite effect. Ultimately, restricting the continued access of banks and credit unions to FHLBank membership will hurt communities where investment in affordable housing and access to credit are desperately needed. The Delaware State Housing Authority encourages FHFA to withdraw RIN 2590-AA39.

If you have any questions please do not hesitate to contact me at (302) 739-4263 or via e-mail at [Anas@destatehousing.com](mailto:Anas@destatehousing.com) or Marlena Gibson, Director of Policy and Planning, at [Marlena@destatehousing.com](mailto:Marlena@destatehousing.com).

Sincerely,

A handwritten signature in blue ink, appearing to read 'ANAS BEN ADDI', is written over the typed name and title.

ANAS BEN ADDI  
Director

cc: The Honorable John Carney  
The Honorable Christopher Coons  
The Honorable Thomas Carper

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