



*"The Place With a Heart....
For the Homeless, Hungry and Harting"*

EIN: 72-1151696

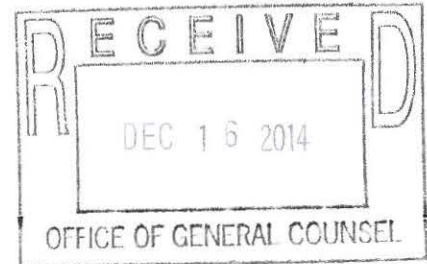
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December 9, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW 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 supporter of the FHLBank of Cincinnati and its housing programs, I am writing to express my concern over the impact of the Federal Housing Finance Agency's proposed membership rule. In particular, I would ask you to avoid any harm or unintended consequences to the FHLBank's affordable housing and economic development programs as a result of imposing an ongoing mortgage asset test to all FHLBank members.

The ongoing asset test fails to recognize the many ways in which members support housing finance including investments in low-income housing, community investment and economic development, as well as through traditional advances borrowing. The Affordable Housing Program (AHP) is a 10 percent set aside of annual profits, available to all members regardless of size or charter type. The larger the pool of participants, the stronger the AHP program. Since the AHP's establishment by Congress in 1989, the FHLBank Cincinnati has awarded over \$544 million to help create more than 70,000 units of affordable housing.

The AHP remains one of the most important, enduring sources of funding available to the non-profit housing community. We need a variety of participants, not only to boost lending in the FHLBank, and thereby increase the 10 percent annual set-aside, but to open participation to small and large lenders, who serve varied but equally important roles in affordable housing development. Some FHLBank members have established relationships and access to private capital and low-income housing tax credits while others may have expertise in specialized social services for residents. FHLBank members bring an important diversity to the complex funding networks of affordable housing development.

Additionally, the FHLBank Cincinnati has made available more than \$23 million of voluntary contributions to respond to its members' community needs including natural disaster

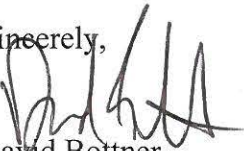
David Bottner, Executive Director
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home reconstruction, foreclosure mitigation, emergency repair and accessibility rehab for special needs and elderly populations.

If FHLBank members fail to meet their assigned asset ratio test, their membership is terminated. This is too harsh a penalty for non-compliance, especially when existing collateral requirements and participation in a wide range of targeted FHLBank programs demonstrates members' support of housing finance. Membership termination removes contributors and participants from the AHP and its wide network of public and private partners.

The proposed rule appears to undercut FHLBank membership without identifying a safety and soundness concern. Accordingly, I respectfully request the FHFA to reconsider or withdraw the proposed rule.

Sincerely,



David Bottner
Executive Director
New Orleans Mission, Inc.

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