

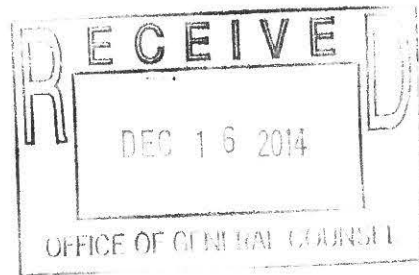


Episcopal Retirement Homes



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:

Episcopal Retirement Homes Affordable Living owns and operates 15 communities serving Low and Extremely Low income seniors in Ohio, Kentucky and Indiana. These communities were primarily funded through HUD, IRS Section 42 or a combination of both. In addition to the housing our communities provide a component of life enrichment services to aid the seniors in their endeavor to age in the place they love most and call home. These added services are supplied by an aggressive campaign of fundraising and grant writing. Here are our concerns with the proposed rule regarding membership in the Federal Home Loan Bank system:

1. The proposed change to the membership requirements for the Federal Home Loan Bank (“FHLB”) will impose burdens on current FHLB member banks will lead to a reduction in the number of FHLB members throughout the country. The proposed changes will disproportionately impact small- and medium-sized financial institutions which are critical partners in redeveloping underserved rural areas of the country by providing long term permanent debt and sponsoring Affordable Housing Program (“AHP”) grants.
2. The proposed change to the membership rule will discourage non-member financial institutions from becoming members of the Federal Home Loan Bank (“FHLB”) system. The credit facilities and affordable housing programs offered by FHLB are critical not only to affordable housing but community development which as been a critical component of our country’s economic recovery. Economic challenges faced by the most vulnerable over the past 5 years demonstrate how important it is to grow the FHLB system rather than institute policies that might hamper or shrink its overall membership. Our organization has received Affordable Housing Program (AHP) grants for three projects over the last few years. One in particular is in a rural area of

Ohio where it could not have succeeded without AHP funding to complete the project. Green Hills Apartments is a 38 year old USDA Rural Development project with seventy-six units which needed to be updated and made more accessible. Without the AHP funds the project could have had a cosmetic rehab using the IRS 9% Low Income Housing Tax Credits, but the accessibility issues could still not fully be resolved. Reducing the membership of the system will reduce the profitability of each district bank, which supplies 10% of its profits to the Affordable Housing and Community Investment programs

3. The impact to insurance companies under the proposed change to the membership rule will significantly reduce the number of insurance company members thus reducing profits, and reducing the resources available for the Affordable Housing Program ("AHP") which contributes to serving disadvantaged families, seniors, and special needs populations in our communities. Even though we do not work directly with insurance company members, we recognize the financial impact they have on the FHLB programs we access to serve our communities.

The member institutions of the Federal Home Loan Bank have contributed to restoring economic vitality to our communities, creating jobs, and providing credit facilities that otherwise may not have been available. We are concerned that the proposed changes to the FHLB membership requirements will undermine the economic recovery in our community and throughout our state and reverse the progress we are making to revitalize our communities and provide safe, decent, and affordable housing. On behalf of Episcopal Retirement Homes Affordable Living and the communities/clients we serve, I urge you to withdraw RIN 2590-AA39 for consideration.

Sincerely,



Kenneth Jay Kittenbrink,
Senior Development Manager
Episcopal Retirement Homes Affordable Living