



**EASTERN PANHANDLE  
HOME BUILDERS ASSOCIATION**

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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)**

Mr. Pollard:

On behalf of the Eastern Panhandle Home Builders Association (we are a trade association representing over 190 members in eastern West Virginia), I am writing to express my strong concern that this proposal will hurt home builders and their customers just as we emerge from a major housing recession. Small banks are the community lenders to home builders and make many of the acquisition, development and construction loans so critical to our industry. In order to make these loans, these banks must be assured of access to funding, whether through deposits or loans from the FHLBank.

The importance of this issue is stated very well in the National Association of Home Builders key priorities. “Commercial banks and savings and loan institutions have traditionally provided the lion’s share of housing production credit for the residential construction industry, which is known as acquisition, development and construction (AD&C) funding. But even as housing markets heat up across the country, financial and regulatory constraints are preventing these lenders from providing the amount of credit that would be typical given current economic conditions. This lack of credit is harming the housing recovery and preventing construction of new homes in markets that need and want them. A full-fledged housing and economic recovery will not take hold until we resolve this ongoing credit crunch. Restoring the flow of credit to home builders will not only help to put America back to work, it will provide badly needed tax revenues that local governments need to fund schools, police and firefighters; and strengthen the economic health of countless communities across the land.”

Home construction and rehabilitation is critical to thriving local economies. The proposed regulation will create uncertainty for small banks about their continuing ability to remain FHLBank members and rely on funding from their FHLBank. FHLBank funding supports their ADC loans and mortgage loans. If small banks are not able to count on the availability of FHLBank funding to support their ADC and other loans in all business cycles, then, they are likely to reduce their lending to homebuilders. This, in turn will make it harder for our communities to have access to sufficient credit to grow and will impede home construction that

is still fragile and only beginning to rebound. Fundamentally changing a FHLBank system that already works for small banks has the potential to hurt home building.

Through the third quarter of 2014, there have been over 600 building permits issued for homes in the eastern panhandle of West Virginia. Housing is a key driver of our local economy and many FHLBank members are providing financing for construction. We need to keep this option available to our members and community.

The Eastern Panhandle Home Builders Association is very familiar with the critical role in promoting housing finance fulfilled by the FHLBank Pittsburgh. As such, I strongly urge FHFA to withdraw RIN 2590-AA39. Please reconsider the negative effect this type of proposal could have on the housing industry and the communities served by existing and prospective FHLBank members.

Sincerely,

David Hartley  
Executive Officer  
Eastern Panhandle Home Builders Association  
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