



School of Public Policy & Administration

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December 19, 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:

The University of Delaware Center for Community Research and Service (CCRS) is an affordable housing partner that works closely with community leaders and lenders and FHLBank Pittsburgh. We know the crucial role FHLBanks serve in providing funding for community banks. It is my view that this proposed rule would alter the relationship between FHLBanks and their member banks and potentially reduce the availability of decent and affordable housing.

Since 2007 CCRS has been working in close partnership with FHLBank Pittsburgh to implement the bank's *Blueprint Communities Delaware* program. This partnership has significantly increased the capacity of local communities in Delaware to develop neighborhood revitalization plans, and has resulted in the design and implementation of several housing rehabilitation projects funded in part through FHLBank Pittsburgh's Affordable Housing Program (AHP).

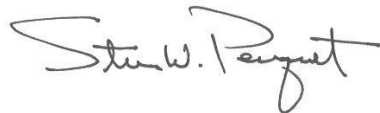
This rule will make membership in the FHLBank less attractive to banks and credit unions since continued access to FHLBank funding will be contingent on new ongoing asset tests. This will no doubt result in decreased lending by the FHLBanks which will hurt earnings. Ten percent of the net earnings of each FHLBank are directed to fund its AHP. Since 1990, FHLBank Pittsburgh has provided approximately \$183 million in AHP grant awards to create more than 28,000 units of housing for low or very low-income residents. Should current and prospective membership in an FHLBank be threatened, FHLBank Pittsburgh's ability to provide AHP grants to affordable housing partners will be diminished. Fewer funds will thus be available to provide AHP grants to support very-low and low-income housing. There exists a stable partnership between banks, affordable housing groups and FHLBanks through the AHP program that keeps at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks.

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The neighborhoods we serve require access to credit to build new housing, rehabilitate existing stock and stimulate community investment. An arbitrary asset test for continued FHLBank membership will achieve the opposite effect and hurt communities in the process. As a stakeholder in this process, the University of Delaware's Center for Community Research and Service strongly urges the FHFA to withdraw RIN 2590-AA39.

Thank you for considering my view on this matter.

Sincerely,

A handwritten signature in black ink that reads "Steven W. Peuquet". The signature is written in a cursive style with a large, prominent "P" at the end.

Steven W. Peuquet, Ph.D.
Director, Center for Community Research and Service and
Associate Professor, School of Public Policy and Administration
University of Delaware