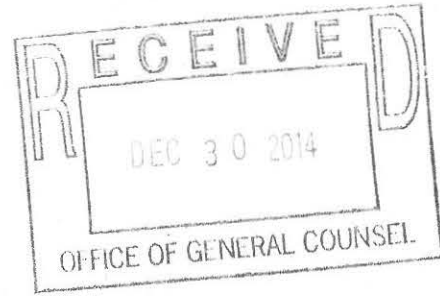


December 24, 2014



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)

Mr. Pollard:

As a home builder coming out of a major housing recession, I am writing to express my strong concern that this proposal will hurt home builders and our customers. 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."

We have longstanding relationships with several small local banks. For example, we have several commercial and residential loans with Reliance Bank of Altoona, Susquehanna Bank of Central Pennsylvania, Northwest Savings Bank of Warren, Standard Bank of Monroeville, Wesbanco out of Wheeling. We are currently closing 2 LIHTC equity/debt projects with First Niagara and Huntingdon Bank that will satisfy their CRA needs.

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. The FHLBank system already works for small banks. This has the potential to hurt home building.

Building in Western and Central Pennsylvania, we are familiar with the critical role in promoting housing finance fulfilled by the FHLBank Pittsburgh, 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,

A handwritten signature in black ink, appearing to read "Andrew S. Haines", with a stylized flourish at the end.

Andrew S. Haines
Executive Vice President