



The Charleston Regional  
**Chamber of Commerce**

December 12, 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:

On behalf of the Chamber of Commerce of Charleston WV, we are contacting you to express our strong concern that your agency has proposed a regulation with the potential to choke off credit to our local economy. At different points in the business cycle, the credit needs of our community change. We are now seeing more markets finally starting to emerge from the recession. This means new demand for construction and business loans, and infrastructure improvements to support commerce, etc.

Much of main street's capital needs are supplied by community banks that are part of the chamber and serve the credit needs of other chamber members. Your proposed regulation threatens to eliminate or diminish a reliable source of funding for community banks that will impact our business community. One example of how this rule will hurt access to credit can be found in the impact of the rule on community banks in the \$500 million to \$1.1 billion asset range. As these institutions meet the credit needs of their markets, they must watch their balance sheet to be assured they will not surpass the \$1.1 billion asset tripwire that your proposed regulation presents. If they are to grow beyond that number, they will be subject to a 10% asset test from which Congress has twice exempted them. If they cannot meet this 10% test, they would be expelled from FHLBank membership. We urge you to drop this proposal for this reason.

Banks that don't meet this new membership requirement would lose the ability to access FHLBank Pittsburgh products that have been critical to community health and growth – such as the Banking on Business (BOB) program and Community Lending Program (CLP). The BOB Program helps small businesses with start-up and expansion costs such as land acquisition, purchasing a building, expansion and equipment purchases. Each BOB dollar FHLBank Pittsburgh contributes is likely to leverage an additional \$6 in financial resources to small businesses in our region, thereby creating or retaining jobs and improving local communities. Since 2000, the FHLBank Pittsburgh's BOB program has saved or created over 7,300 jobs at 565 businesses in their three-state footprint.



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Likewise, the CLP program would be threatened for communities. CLP provides funding to FHLBank members for their loans to small business and loans for community and economic development projects that create housing improve business districts and strengthen neighborhoods. CLP is designed to help members meet their community investment goals while maintaining and enhancing their own profitability. CLP offers a long-term funding mechanism (which can be structured to match the term of the member's loan to the small business or community/economic development project) at a very competitive rate. The availability of low-cost long-term funding from the FHLBank provides the members the ability to make their loans more affordable for their customers. The program is available to member financial institutions for qualified community and economic development projects that create housing, build infrastructure, help small businesses and strengthen neighborhoods. With financing terms up to 30 years, it also fits needs of businesses in both urban and rural areas. \$1.4 billion in CLP funds since 2000 have supported local businesses in Delaware, Pennsylvania and West Virginia to bring community projects to life and help create for more than 8,500 units of housing.

Over the last few years, twelve affordable housing projects serving the elderly, low and/or moderate income families, homeless individuals, veterans and women recovering from alcohol or drug dependencies. The Federal Home Loan Bank of Pittsburgh provided approximately \$1.9 million in grant support to make these projects possible. Without this critical support I assure you that none of these projects could have been completed. We know the tremendous impact affordable housing has on the lives of individuals. In many instances it offers the "jump start" individuals need to become productive citizens. Affordable housing also serves the community as a whole. Our community's ability to provide affordable housing options to those most in need would not have been possible without the support of the Federal Home Loan Bank of Pittsburgh and the vision of community leaders would not have become a reality.

We respectfully ask you to reconsider the effects that RIN 2590-AA39 could and withdraw this proposal. Do not harm businesses on Main Street and homes on Elm Street by enacting this regulation.

Sincerely,

A handwritten signature in black ink that reads "Matthew Ballard". The signature is written in a cursive, flowing style with a large, prominent "M" and "B".

Matthew G. Ballard  
President/CEO  
Charleston Area Alliance  
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