



January 8, 2015

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, DC 20024

RE: Notice of Proposed Rulemaking and Request for Comments
Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

As a member of the Ohio Housing Council, National Church Residences fully supports all of the points made in the attached letter submitted by the Ohio Housing Council regarding the request to withdraw RIN 2590-AA39. A reduction in funding for housing for low-income borrowers at this time of fragile housing and mortgage markets is particularly damaging. The partnership that results between financial institutions, affordable housing groups, and FHLBanks for a successful Affordable Housing Program (AHP) saves at-risk families, veterans, senior citizens, and people with disabilities from falling through the cracks.

National Church Residences has a long history of working in partnership with financial institutions and FHLBanks to develop and preserve affordable housing for some of the most vulnerable populations. Since 2003, National Church Residences has worked with seven (7) FHLBanks and nine (9) member institutions. Through these relationships, National Church Residences has been able to use AHP funds to create and preserve:

- Seven (7) Senior Affordable Housing Developments
 - 481 units
 - Over \$2.8 million FHLBank Investment
- Nine (9) Permanent Supportive Housing Developments
 - 750 units
 - Including 270 units for homeless and/or disabled Veterans
 - \$6.4 million FHLBank Investment

National Church Residences has worked with financial institutions and FHLBanks to develop nine (9) Permanent Supportive Housing developments, including Imperial Hotel, a historic rehabilitation that provides 90 units of Permanent Supportive housing for formerly homeless in downtown Atlanta, and Commons at Livingston Phases I and II, allowing for the creation of 100 units of housing for formerly homeless Veterans in Columbus, Ohio.

Additionally, FHLBank has aided National Church Residences in preserving and creating seven (7) senior housing developments. Most recently, FHLBank of Dallas funded Pecan Villa in Ruston, Louisiana and Prairie Village in El Campo, Texas, and FHLBank of Cincinnati funded the historic preservation of Riverview Retirement Center in Portsmouth, Ohio. Without the FHLBank

contribution, these Permanent Supportive Housing, preservation, and new construction developments would not have been financially feasible, and the over 1,200 residents would not have a safe, decent, affordable place to call home.

Overall, FHLBank has invested over \$9 million in National Church Residences affordable housing developments for seniors and formerly homeless and/or disabled residents in the United States. Without these funds, National Church Residences would not be able to make as great an impact for these vulnerable populations.

By threatening the membership of financial institutions, National Church Residences' future impact in serving neighborhoods will be severely limited. Therefore, as stakeholders in the FHLBank, National Church Residences strongly urges FHFA to withdraw RIN 2590-AA39.

Sincerely,



Michelle Norris
Senior Vice President
National Church Residences



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Alfred M. Pollard, Esq., General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency, Fourth Floor
400 Seventh Street, S.W.
Washington, DC 20024

January 7, 2015

Re: Notice of Proposed Rulemaking and Request for Comments – Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

The Ohio Housing Council is a statewide organization of affordable housing professionals whose mission is to increase production and preservation of affordable housing in Ohio. Our goal is to help professionals involved in all aspects of the affordable housing industry to increase their participation in public policy debates and steer proposed regulatory requirements that could have a significant impact on the affordable housing industry in Ohio.

Our members work closely with community lenders and several Federal Home Loan Banks (FHLB). We have observed firsthand the important role that the FHLB System plays in providing funding for local financial institutions. This is a relationship that is so important to the affordable housing community in their local markets and the proposed rule will profoundly change the relationship between the FHLB System and their member institutions.

This rule will make membership in the FHLB System less attractive to financial institutions since continued access to FHLB System funding will be contingent on new ongoing asset tests. This will, no doubt, result in decreased lending by the FHLB System, which will hurt their earnings. As you know, 10 percent of the net earnings of each FHLB are used to fund its Affordable Housing Program. If current and prospective membership in the FHLB System is threatened, the FHLB's ability to provide AHP grants to affordable housing partners will be diminished. In short, the FHLB System will have fewer funds available to provide AHP grants to support very low and low-income housing.

The recent HMDA data for 2013 shows the share of home mortgage loans to borrowers with incomes at or below 80 percent of area median income (borrowers served by the FHLB System's AHP program) fell to only 26 percent of the total mortgage loans made in 2013. Consequently, a reduction in funding for housing for low-income borrowers at this time of fragile housing and mortgage markets is particularly damaging. The partnership that results between financial institutions, affordable housing groups and the FHLB System helps at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks. By working together, we keep people off the streets and help stabilize lives and communities.



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Congress has historically acted to expand FHLB System's membership and its members' housing and investment activity. In 1989, under the Financial Institutions Reform, Recovery and Enforcement Act, Congress included commercial banks and credit unions as new members, and established the Affordable Housing Program (AHP). In 1999, Congress acted to expand eligible collateral for community financial institutions, and through the Housing and Economic Reform Act of 2008, community development financial institutions were granted permission to join the FHL Banks. This rule appears to reverse Congressional intent with respect to the FHLB System's role in housing finance.

These proposals appear to undercut the FHLB System's membership without identifying a safety and soundness concern. The proposed rule does not recognize the direct link between the FHLB System's profitable business activity and its corresponding Affordable Housing Program. The rule harshly punishes non-compliance with membership termination which will have the unintended consequence of removing contributors and participants from the AHP and its wide network of public and private partners.

We may not be FHLB System stockholders, but we are stakeholders. The neighborhoods we serve require access to credit to build new housing, rehab existing stock and stimulate community investment. An arbitrary asset test for continued FHLB System's membership will achieve the opposite effect. Our relationship with vulnerable populations with urgent needs for safe and affordable housing leads us to conclude that restricting the continued access of financial institutions to FHLB System's membership will hurt communities.

The Ohio Housing Council strongly urges FHFA to withdraw RIN 2590-AA39.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Norris".

Michelle Norris
President
Ohio Housing Council