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:

Mountaineer Development Corporation is an affordable housing partner that works closely with community lenders and FHLBank Pittsburgh. We know the crucial role FHLBanks serve in providing funding for community banks. This proposed rule would alter the relationship between FHLBanks and their member banks and potentially harm affordable housing.

Mountaineer Development Corporation is a nonprofit housing provider in Southern West Virginia and depends on FHLB of Pittsburgh to be a partner to deliver affordable housing products to our clients. There are few community banks available to us and this rule would limit availability even further.

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 Affordable Housing Program (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. Of that, $13 million in AHP grants have supported 100 projects in West Virginia, creating over 1,500 units of housing. 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.

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 FHLBank membership will achieve the opposite effect and hurt communities in the process. As a stakeholder in this process, Mountaineer Development Corporation strongly urges the FHFA to withdraw RIN 2590-AA39.

Sincerely,

R. F. Crum, President

Mountaineer Development Corporation

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