



January 9, 2015

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 an affordable housing partner that works closely with community lenders and FHLBank Pittsburgh, we have observed firsthand the important role that the FHLBank plays in providing funding for community banks. The proposed rule will profoundly change the relationship between FHLBanks and their member banks that is so important to the affordable housing community in their local markets.

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. As you know, 10% of the net earnings of each FHLBank funds its Affordable Housing Program (AHP). Since 1990, FHLBank Pittsburgh has provided approximately \$183 million in AHP grant awards that have created more than 28,000 units of housing for low or very low-income residents. This includes \$13 million in AHP grants to support 100 projects in West Virginia, creating over 1,500 units of housing. If current and prospective membership in an FHLBank is threatened, FHLBank Pittsburgh's ability to provide AHP grants to affordable housing partners will be diminished. HMDA data for 2013 shows the share of home mortgage loans to borrowers with incomes at or below 80% of area median income (borrowers served by FHLBank's AHP program) fell to only 26% of the total mortgage loans made in 2013. The partnership that results between banks, affordable housing groups and FHLBanks for a successful AHP program saves at-risk families, veterans, senior citizens and people with

Alfred M. Pollard, General Counsel
January 9, 2015
Page Two

disabilities from falling through the cracks. Working together, we keep people off the streets and help stabilize lives and communities.

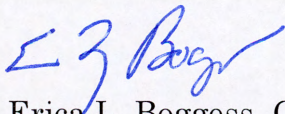
West Virginia is one of the poorest states in the Country. Every dollar is critical to housing our lowest income residents. The West Virginia Housing Development Fund works in partnership with affordable housing providers that benefit from the AHP. Without these funds, many housing development projects will not be successful because affordable rents do not allow for debt on the full development cost of the housing. The FHLBank AHP is critical to fill the gap.

We may not be FHLBank stockholders, but we are stakeholders. An arbitrary asset test for continued FHLBank 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 banks and credit unions to FHLBank membership will hurt communities.

The West Virginia Housing Development Fund strongly urges FHFA to withdraw RIN 2590-AA39.

Sincerely,

WEST VIRGINIA HOUSING DEVELOPMENT FUND



Erica L. Boggess, CPA
Acting Executive Director