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**Help Build It!**

January 12, 2014

Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency  
400 Seventh Street SW, Eighth Floor  
Washington, D.C. 20024

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

Dear Mr. Pollard:

Habitat for Humanity appreciates the opportunity to comment on the Federal Housing Finance Agency's proposed rule RIN 2590-AA39 Members of the Federal Home Loan Banks. As a beneficiary of the FHLBanks' Affordable Housing Program and Community Investment Program, Habitat is very concerned that the proposed rule would unnecessarily reduce the funding available to these vital programs without providing any significant benefit to the banks or the banking system.

Habitat for Humanity International's vision is a world where everyone has a decent place to live. Anchored by the conviction that safe and affordable housing provides a path out of poverty, since 1976 Habitat has helped more than 5 million people through home construction, rehabilitation and repairs and by increasing access to improved shelter through products and services. Habitat also advocates to improve access to decent and affordable shelter and offers a variety of housing support services that enable families with limited means to make needed improvements on their homes as their time and resources allow. As a nonprofit Christian housing organization, Habitat works in more than 70 countries and welcomes people of all races, religions and nationalities to partner in its mission.

The affordable housing industry strongly relies on credit flowing from our local financial institutions, which in turn, look to their regional FHLBanks for a dependable supply of liquidity. Habitat fully shares the FHFA's interest in ensuring the FHLBanks remain focused on their housing mission, however, the proposed rule risks inhibiting the FHLBanks' ability to execute this mission and preventing them from meeting the housing and credit needs of their communities.

The liquidity provided to FHLBank members flows into the communities Habitat affiliates serve in many different ways. As affordable housing practitioners, Habitat well understands how the funding supplied by the FHLBanks enables their members to provide resources to residential developers and prospective homeowners, enabling the production and preservation both of market-rate and

affordable housing. FHLBank funded projects are important components of community revitalization and also serve as catalysts for private investment. The FHLBanks have provided more funding supporting the housing work of Habitat affiliates than any other private funding source.

The proposed rule risks shrinking the amount of private capital flowing from global markets through the FHLBanks and their members to the U.S. mortgage market and the communities Habitat serves. Of particular concern is the effect of reduced FHLBank membership on the Affordable Housing Program (AHP), the largest single, private source of funding for low- to moderate-income housing in the country. Each FHLBank sets aside 10 percent of net earnings annually into the AHP. From 1990, when AHP funds were first awarded, to 2013, the FHLBanks have awarded nearly \$4.5 billion in AHP funds to build or preserve affordable housing for more than 724,000 households. The adverse impact the proposed rule would have on the FHLBanks' ability to grow or even maintain advance levels would lead directly and inevitably to funding reductions for the AHP. At a time when affordable housing resources are scarce, often necessitating extensive layering of public and private resources, Habitat strongly supports maintaining current FHLBank membership levels and AHP funding.

Over the past 25 years, Congress has consistently broadened access to FHLBank funding and liquidity by expanding membership eligibility. Any changes to FHLBank membership, especially changes that would narrow the FHLBanks' statutorily established mission or membership contrary to the demonstrated intent of Congress should first be addressed legislatively. Under the membership structure established by Congress, the FHLBanks have proven to be a safe and sound business model that reliably supplies liquidity through all market cycles to a broad range of cooperative members for a variety of uses. The proposed rule would fundamentally change and weaken this vital part of the U.S. housing finance system that has and continues to perform well.

For these reasons, Habitat for Humanity respectfully requests that the proposed rule be withdrawn. Thank you for the opportunity to comment.

Sincerely,



Christopher Ptomey  
Director of Government Relations

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