



Assisted Living

Federation of America

July 13, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, D.C. 20006

VIA FACSMILE

Attention: Public Comments

Re: Federal Housing Finance Board; Proposed Rule: Excess Stock Restrictions and Retained Earnings for Federal Home Loan Banks; RIN Number 3069-AB30; Docket Number 2006-03

To Whom It May Concern:

The Assisted Living Federation of America is the largest national trade association representing professionally operated assisted living communities for seniors. The Federal Home Loan Bank of San Francisco's Affordable Housing Program provides financing for the development of assisted living communities for low-income seniors. Affordable community-based assisted living projects enable seniors to live in less restrictive community-based settings as opposed to more costly institutional settings.

The proposed regulation could increase borrowing costs for members which would lead to borrowers seeking less costly financing alternatives at other institutions. It is unlikely that alternative financial institutions would maintain the generous level of financing for affordable housing programs including affordable assisted living projects that Federal Home Loan Banks provide (currently 10% of net income). If funding for affordable assisted living projects are reduced or eliminated as a result of the proposed regulation, state and federal governments could be forced to pay 2 to 3 times the cost of caring for its low-income citizens in nursing homes rather than assisted living communities and other home and community-based settings.

The ramifications to seniors and other vulnerable citizens that depend on affordable assisted living projects that are financed with AHP grants from Federal Home Loan Banks and loans from their member institutions, merit your consideration for withdrawing the proposed regulation. We appreciate your assistance and attention to our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul J. Williams".

Paul J. Williams
Director of State Public Policy

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