



CATHOLIC CHARITIES HOUSING DEVELOPMENT CORPORATION

721 North LaSalle Street • 5th Floor • Chicago, Illinois 60610-3574

Telephone (312) 655-7975 • Fax: (312) 337-8793

July 12, 2006

The Honorable Ronald A. Rosenfeld  
Chairman  
Federal Housing Finance Board  
1625 Eye Street N.W.  
Washington, D.C. 20006-4001

**RE: Excess Stock Restrictions and Retained Earnings Requirements for the  
Federal Home Loan Banks, Regulatory Information Number 3069-AB30,  
Docket Number 2006-03**

Dear Chairman Rosenfeld,

I write on behalf of the Catholic Charities Housing Development Corporation and the 1,300 low-income senior citizens that rent apartments from us in Chicago and Cook County, Illinois. We are concerned about the Board's proposed rule to prescribe a minimum amount of retained earnings for each Federal Home Loan Bank (FHLB) and limit the amount of excess stock that an FHLB can hold outstanding.

While the Board offers this rule change to control risk, it jeopardizes the Affordable Housing Program (AHP). We urge you to withdraw or amend the rule as approved by the Board and find other means to sustain capital.

With access to AHP funds, non-profit developers create sophisticated financing packages to build and preserve over 400,000 units of desperately needed affordable housing nationwide. The AHP is a cost-effective way for member banks to achieve their mission of providing affordable housing and homeownership opportunities. Catholic Charities of Chicago relies on the grants available through the AHP as gap financing to provide permanent housing for vulnerable and low-income seniors.

Thank you for considering my comments. Please call me at 312-655-7490 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "William G. D'Arcy".

William G. D'Arcy  
Chief Operating Officer

