



Hazard/Perry County Housing Development Alliance, Inc.

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Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Attention: Public Comments

Excess Stock Restrictions and Retained Earnings Requirements for
the Federal Home Loan Banks
#3069-AB30

As the Executive Director of the Hazard Perry County Housing Development Alliance, I am concerned over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. Our nonprofit organization provides housing services to lower income persons in Perry County, Kentucky. To date we have partnered with the FHLBank to develop 10 rental units and 10 homeownership units utilizing over \$300,000. This meets a critical need in the heart of the Appalachian coalfields, where we are located.

FHILBank funding is often the critical first level of financial commitment to our projects. It helps leverage other sources of public and private funding and brings together the necessary partners and leaders for effective development. As the highly successful Affordable Housing Program is based on a ten percent set-aside of annual net profits, we all have a stake in the success and profitability of the FHILBank.

The FHILBank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the FHLBank, reduce its profitability, increase costs to its members, all to no apparent benefit. Why penalize the FHLBank member lenders, housing partners and our at-risk clients? With fewer state and federal housing dollars available for targeted affordable housing, I strongly urge you to reconsider this restrictive regulation that will result in lower FHLBank profits and, by extension, fewer residents gaining access to decent housing.

Sincerely,

R. Scott McReynolds
Executive Director



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