BURBANK HOUSING DEVELOPMENT CORPORATION

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12. July, 2006

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

RE: Proposed Rule on Excess Stock Restrictions and Retained Earnings
for Federal Home Loan Banks
RIN Number 3069-AB30
Docket Number 2006-03

Dear Sir/Madam:

We appreciate the opportunity to comment on the Federal Housing Finance Board's
proposed rule on excess stock and retained earnings requirements.

Our organization, a non-profit housing development corporation, has made extensive use
of the Affordable Housing Program (AHP) offered through the FHLB – San Francisco.
Since the inception of the AHP, Burbank Housing has produced approximately 2,500
units of affordable housing, almost all of which has benefited from awards from the
Program. We build both rental and ownership homes.

Financing affordable housing development is very difficult, involving many sources of
subsidy combined with conventional loans, tax exempt bonds and tax credits. The
demand for the limited subsidy resources that are available has steadily increased,
especially in recent years, to the point that the AHP funding rounds routinely receive
many more applications than can be funded.

Any provisions enacted by the FHFB that would result in the reduction of the amount of
funds flowing through the AHP would be very damaging to the continued production of
affordable housing in northern California. We believe that the proposed Rule (cited
above) would indeed result in a significant drop in funding to the Program; there are
indications that the Rule would cause FHLB members to borrow less from the FHLB,
thereby reducing the FHLB's earnings, with a consequent drop in AHP funds.

We urge you to withdraw this proposed rule. Its impact could really damage our efforts
to provide affordable housing opportunities to families in need. Thank you for your
consideration of these comments.

Sincerely,

Nick Stewart
Deputy Executive Director