



F R O N T I E R

*providing affordable housing
solutions to build better
communities.*

Frontier Housing, Inc.



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Equal Housing
Opportunity

July 11, 2006

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

Attention: Public Comments, Federal Housing Finance Board
Proposed Rule:
Excess Stock Restrictions & Retained Earnings for the
Federal Home Loan Banks
RIN Number 3069-AB30
Docket Number 2006-03

I am writing to express my concern over the impact of the proposed capital rule on the Federal Home Loan Bank of Cincinnati and its ability to support its housing mission. I have reviewed the proposed rule and am deeply concerned about the unintended (or intended) consequences of such a limited ruling.

My name is Stacey Epperson and I have served as Executive Director of Frontier Housing since 2000 and have been an advocate for affordable housing for the last 18 years. Our nonprofit organization is located in the Appalachian foothills of northeast Kentucky where we provide affordable housing solutions to build better communities. We have impacted the lives of more than 1000 families through our tireless efforts to improve housing in Appalachia.

Since 1990, Frontier has partnered with Federal Home Loan Bank members to participate in the Affordable Housing Program to provide a gap subsidy for very low-income families. We have utilized more than \$1.5 million to construct 50 new single-family homes in one of the most underserved regions of the country. Each AHP grant is highly leveraged and every AHP dollar is leveraged with \$4 of private, federal and state funding. The program has been a tremendous success and should continue without any threats, such as the proposed rule.

The Federal Home Loan Bank of Cincinnati has demonstrated a tremendous commitment to affordable housing over and above its mandated Affordable Housing Program from the very start, and we are proud to be partners with them. Any reduction in the program would come at a serious price for the many families in our area still seeking the American dream of owning their own home.

I strongly urge you to reconsider the proposed restrictive regulation that will significantly hamper the outstanding success of our bank's Affordable Housing Program. In fact, **I am asking that the proposed rule be withdrawn entirely.**

I appreciate your consideration of my comments.

Sincerely,



Stacey Epperson
Executive Director

CC: Representative Hal Rogers
Representative Geoff Davis
Senator Mitch McConnell
Senator Jim Bunning
Carol Peterson
Cecil Dunn
Jim King