



CORPORATION FOR
BETTER HOUSING

July 11, 2006

Federal Housing Finance Board
1625 Eye St., N.W.
Washington, D.C. 20006
Attention: Public Comments

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

We urge you to withdraw the proposed rule. As a non-profit developer, we rely heavily on AHP grants as a critical source of funding. Currently, sources of funding for affordable housing projects are highly competitive and extremely limited, in spite of insatiable demand. As the cost of construction escalates, and interest rates continue to climb, the level of affordable housing production in California is severely constrained.

The current pool of funding from the Federal Home Loan Bank in San Francisco is already oversubscribed. Through the highly competitive program, non-profit developers have completed award winning projects throughout the region. To meet the growing demand for high quality affordable housing, the pool should be expanded, not contracted.

We received our first AHP award in 2003. Since then, we have received 24 awards, and, with the assistance of the AHP grants, have completed 691 units for low-income households, with 1160 more in development. AHP fills a funding gap, and facilitates our mission to provide safe and decent affordable housing for our communities. The awards directly benefit a multitude of households, including but not limited to: seniors, large families, farm workers, and homeless families, targeting incomes as low as 30% of AMI.

Another tremendous benefit of AHP is through the promotion of social services, designed to financially empower our residents through training and counseling. A sample of services provided to our communities include financial literacy classes, computer classes, after school programs, job training programs, nutrition and health programs, ESL classes, and pre-purchase homeownership workshops. The reduction of AHP funding could be detrimental to housing projects that include community space to promote such programs.

Sadly, if the proposed rule is approved, and funding is reduced, the definitive sufferer will be our residents, low income households, often under served. That is why, on behalf of the communities we serve, our current residents, and our future residents, we urge you to reconsider and withdraw the proposed rule.

Respectfully,
Corporation for Better Housing

Mary Silverstein
Executive Vice President