

June 30, 2006

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

Subject: Public Comments  
Excess Stock Restrictions and Retained Earnings Requirements  
for the Federal Home Loan Banks

Dear Board Members:

As a Regional Housing Facilitator for the state of Tennessee, I am writing to convey my sincere concern regarding the Finance Board's proposed excess stock and retained earnings rule and its potentially detrimental effect on a particular vulnerable group of Tennesseans.

My region alone has been awarded **\$2,042,698** for the development or rehabilitation of **125** housing units for persons with serious and persistent mental illness or co-occurring disorders.

Just today I attended the second ribbon cutting ceremony this year for a new homeowner with special needs. Carl Houston entered the army in 1975 during the Viet Nam era conflict initially to serve three years but he re-entered for another three years. From the time he left the military in 1981 until he came to Alpha Omega Veterans Services (AOVS) in December 2003, Carl experienced chronic homelessness. While in the AOVS program, Carl became gainfully employed. He worked at a restaurant across the street from the facility for a year and a half. During that time Carl also addressed the issues that kept him in and out of homelessness for 21 years. While still working at the restaurant Carl interviewed with the Hilton Hotels and was hired as a kitchen helper. After eight months in that position he was promoted to his current position as Purchasing Clerk (shipping and receiving). He has now been with Hilton Hotels for three years. Carl has received employee of the month on several occasions. Through all of his accomplishments he remains focused on his recovery. Carl attends weekly recovery meetings and has reunited with his family. Today, he exchanges the rental housing provided by AOVS for a brand new home custom built for him by other Alpha Omega veterans. Carl will continue to avail himself of the support services offered in the aftercare program so that he can continue down the road to recovery.

But for the funds from the FHLBank of Cincinnati, Carl Houston would not have realized his dream to own his own home. According to the U. S. Census Bureau, only 7% of Americans with disabilities realize this dream.

The Congressionally mandated affordable housing mission of the Federal Home Loan Bank (FHLBank) has improved the lives of Tennesseans with serious and persistent mental illness or co-occurring disorders (mental illness and substance abuse). With the much-needed help of the FHLBank's Affordable Housing Program, the American Dream Home Ownership Challenge, and the Welcome Home program, Tennessee has seen the development of **4,468** affordable, safe, permanent and quality housing options in local communities for people with mental illness and co-occurring disorders since 2000. In fact, the FHLBank of Cincinnati stands today as one of the **single largest contributors** to Tennessee's Creating

Homes Initiative (CHI), a Tennessee Department of Mental Health and Developmental Disabilities strategic plan to partner with communities to create housing options for people with mental illness and co-occurring disorders in Tennessee. As a Regional Housing Facilitator and an integral part of the CHI, I work with housing developers, mental health providers, and other interested stakeholders to facilitate the development of housing for persons with serious and persistent mental illness or co-occurring disorders.

The lack of safe, decent, permanent, and affordable housing options for persons with mental illness and co-occurring disorders is a crisis in Tennessee. But through the success of the CHI, Tennessee has begun to rectify this housing crisis. Since the CHI's beginning in 2000, the FHLBank of Cincinnati has awarded the following funds:

FHLBank Affordable Housing Program - \$15,168,258  
FHLBank American Dream Home Ownership Challenge - \$215,000  
FHLBank Welcome Home - \$433,500

After careful consideration and analysis, it is my belief that the Finance Board's proposed rule would result in lower overall profits for the FHLBank, which would in turn significantly reduce the amount of the 10 percent set-aside that currently funds the Affordable Housing Program. The loss of these funds would strike a serious blow to some of Tennessee's neediest and most vulnerable citizens—those who have serious and persistent mental illness or co-occurring disorders.

Our belief is that this proposed rule will cause much future harm to the Creating Homes Initiative of Tennessee and more importantly, to a group of people in desperate need of affordable, safe, permanent and quality housing options in local communities. I therefore ask you to withdraw the proposed rule.

Thank you for the opportunity to express my recommendations on behalf of Tennessee residents who have serious and persistent mental illness or co-occurring disorders.

Sincerely,



D. Cheré Bradshaw, CMSW  
Regional Housing Facilitator

cc: David H. Hehman, FHLBank of Cincinnati  
Carol Peterson, FHLBank of Cincinnati  
Jeff Reynolds, FHLBank of Cincinnati  
William H. Frist, U.S. Senate (TN)  
Lamar Alexander, U.S. Senate (TN)  
Harold E. Ford, Jr., U.S. Congressional Representatives (TN)  
Marie Williams, Tennessee Department of Mental Health & Developmental Disabilities  
Gregory Fisher, Tennessee Department of Mental Health & Developmental Disabilities