

*Providence Housing Corporation
8037 Unruh Drive
Georgetown, Indiana 47122*

The Honorable Ronald A. Rosenfeld 812-951-1878
Chairman
Federal Housing Finance Board
1625 I Street N.W.
Washington, DC 20006-4001

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

July 9, 2006

Dear Honorable Rosenfeld:

I am writing to express my concern over the possible negative affects of the proposed capital rule on the Federal Home Loan Banks, specifically the Federal Home Loan Bank of Indianapolis, and the ability of the Banks to continue investing in our communities.

By reducing the FHLBank asset size, mortgage holdings and liquidity investments, Bank income is also reduced. In turn, the amount of funding that is available through the successful Affordable Housing Program will be greatly reduced. It is hard to predict the exact dollar amount, it is predicted that for the FHLBI that AHP grants to our moderate- to low-income families will be reduced by over \$1 million per year. This has a drastic affect on these families and children, as well as our communities as a whole.

On behalf of my community, the families that are low-income homeowners and the FHLBI, I ask that the Board reconsider this proposed rule. By reducing the amount of funding to the AHP, you will be reducing the ability of hundreds of families to achieve the American dream of homeownership. Forty-one families who live in West Terre Haute have been helped beyond measure through the FHLBI leadership and financial assistance.

Looking forward to your positive response, I am with warm regards

Sincerely,



Sister Barbara Ann Zeller, SP
President

