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A Christian Ministry • Simple Decent Homes for God's People in Need • 1 John 3:16-18

June 30, 2006

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

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

I am writing to express my concern over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. I represent Habitat for Humanity of Portage County, a nonprofit organization providing home ownership to families that the household income falls below 60% of the area median income. My organization has built or renovated 46 homes and has partnered with the FHLBank to provide down payment assistance on the majority of these homes.

FHLBank funding is often the critical first level of financial commitment to our projects. It helps leverage other sources of public and private funding and bring together the necessary partners and lenders for effective development. As the highly successful Affordable Housing Program is based on a 10 percent set-aside of annual net profits, we all have a stake in the success and profitability of the FHLBank.

The FHLBank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the FHLBank, reduce its profitability, increase costs to its members, all to no apparent benefit. Why penalize the FHLBank member lenders, housing partners and our at-risk clients? With fewer state and federal housing dollars available for targeted affordable housing, I strongly urge you to reconsider this restrictive regulation that will result in lower FHLBank profits and, by extension, fewer residents gaining access to decent and affordable housing.

Sincerely,

Mary Shaffer
Executive Director