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Shelter Manager

6/26/06

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

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

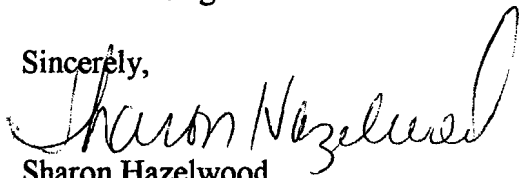
I am writing to express my concern over the impact of the proposed capital rule on the FHL Bank of Cincinnati and its ability to support its housing mission. I represent Shelter for Women and Children, Inc. a nonprofit organization providing housing to homeless women and children in Henderson and surrounding counties in KY. My organization has partnered with the FHL Bank to provide Henderson with a drug and alcohol facility with 100 beds.

FHL Bank is often the critical first level of financial commitment to our projects. It helps leverage of other sources of public and private funding and bring together the necessary partners and leaders 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 FHL Bank.

The FHL Bank 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 FHL Bank, reduce its profitability, increase costs to its members, all to no apparent benefit. Why penalize the FHL Bank 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 FHL Bank profits and, by extension, fewer residents gaining access to decent housing.

Sincerely,

A handwritten signature in black ink that reads "Sharon Hazelwood". The signature is written in a cursive style with a large, looping initial 'S'.

Sharon Hazelwood
Shelter Manager