



Post Office Box 535
Union City, Tennessee 38281-0535

June 20, 2006

Federal Housing Finance Board
1625 Eye Street, 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 FHLB of Cincinnati and its ability to support its housing mission. I represent Obion County Habitat for Humanity, a nonprofit organization providing housing services to the low income in Obion County, Tennessee. My organization has partnered with the FHLBank to provide twelve homes for those in need.

FHLBank funding is often the critical first level of financial commitment to our projects. It helps leverage other sources of public and private finding and bring together the necessary partners and lenders 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 out 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 housing.

Sincerely,

A handwritten signature in cursive script that reads "Jim Williams, President". The signature is written in black ink and is positioned below the word "Sincerely,".

"Building Houses In Partnership With God's People In Need"