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June 16, 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

On behalf of our Board of Directors, our staff and the hundreds of families we serve, we urgently request the Federal Housing Finance Board to withdraw the proposed Capital reg. The mere potential approval of this regulation is already creating havoc in the many successful affordable housing programs, which Conexión Américas and many other organizations rely on for creating affordable housing and economic development initiatives across the nation.

In particular the Federal Home Loan Bank of Cincinnati has been a critical partner in our endeavors to promote Hispanic homeownership across the state of Tennessee. Through the American Dream Homeownership Challenge program, together with member institutions, our efforts have resulted in 153 new Latino homeowner families over the last two years.

The impact of the support from FHLB of Cincinnati goes beyond the financial incentives offered to low income families, that otherwise wouldn't have been able to reach their dream of homeownership. While these contributions are fundamental, the impact that the FHLB of Cincinnati has had on our organization, on member institutions and on the community at large is tremendous. Because of the success of our joint efforts several member institutions across our district have implemented or increased their Hispanic outreach initiatives. They have created opportunities that didn't exist just two years ago and increased the participation in the banking system of many Hispanic families that until recently were unbanked. Thanks to the endorsement of the FHLB our program has become a best practices model nationwide. I can categorically assert that our successes would not be possible without the involvement, support and leverage that the FHLB of Cincinnati has provided over the years. Support that is in real jeopardy if the proposed regulation is approved.

The FHLB of Cincinnati has demonstrated its commitment to affordable housing beyond the mandated Affordable Housing Program for years and after analyzing the proposed regulation, we conclude that its potential negative impact on the FHLB, the member institutions and our communities is significant. The regulation will result in lower profits across the system and thus reduce the number of low income families that have access to affordable housing.

We urge you to withdraw this proposal at once.

Sincerely,

Jose D. González
Executive Director

Cc. Senator Bill Frist, Senator Lamar Alexander, Congressman Jim Cooper