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Federal Housing Finance Board
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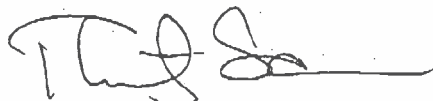
RE: Public Comments; Excess Stock Restrictions and Retained Earnings
Requirements for the Federal Home Loan Banks; #3069-AB30

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 Urban Housing Solutions, Inc., a Nashville nonprofit that provides affordable multifamily rental housing and social services for low-income individuals and families—primarily those with special housing needs. My organization has partnered with the FHLBank through two of its programs: New Neighbors and the Affordable Housing Program (AHP). We received a \$320,000 New Neighbors grant earlier this year that enables us to provide 16 highly subsidized apartments to hurricane evacuees. 2005 AHP funding of \$554,000 is helping us to renovate 37 units of housing for those with very low incomes.

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 gather the necessary stakeholders 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 fewer people gaining access to decent housing.

Sincerely,



Rusty Lawrence
Executive Director