

N A A H L

NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LEADERS

NAAHL GOLD MEMBERS

*Bank of America
Century Housing
Countrywide Home Loans
JPMorganChase
Massachusetts Housing
Investment Corporation
The Community Preservation
Corporation
Washington Mutual Bank
Wells Fargo & Company*

NAAHL SILVER MEMBERS

*Harris Bank
HSBC Bank USA
LaSalle Bank Corporation
Low Income Investment Fund
Merrill Lynch Community
Development Company
National City Bank
NeighborWorks America
The Northern Trust Company
Wachovia Corporation*

NAAHL BRONZE MEMBERS

*Bank of New York
Bank of the West
California Community
Reinvestment Corporation
Capital One
CharterMac
Community Investment Corporation
Enterprise
Fannie Mae
FHLBanks
Local Initiatives Support Corporation/
National Equity Fund
National Housing Development
Corporation
Neighborhood Lending Partners
Ohio Capital Corporation for Housing
ShoreBank*

President & CEO
Judith A. Kennedy

June 26, 2006

Federal Housing Finance Board
1625 Eye Street NW, Washington DC 20006
Re: **Docket No. 2006-03**

The National Association of Affordable Housing Lenders (NAAHL) represents America's leaders in moving private capital to those in need – 200 organizations committed to increasing private capital lending and investing in low-and moderate-income (LMI) communities. Members are the “who's who” of private sector lenders and investors in affordable housing and community development: banks, thrifts, local and national nonprofits, mortgage companies, loan consortia, financial intermediaries, pension funds, and foundations.

We appreciate the opportunity to submit comments on the agency's notice of March 8, 2006, pertaining to excess stock restrictions and retained earnings requirements for the Federal Home Loan Banks.

We are concerned that the proposed rule could have unintended consequences, namely, fewer loans and grants for affordable housing. The Federal Home Loan Banks provide much-needed capital for mortgages, and grants for affordable housing and other important community development activity. Since the Banks' Affordable Housing programs are funded by 10% of their profits, significant impacts on Banks' profitability from the proposal rules inevitably will have ripples throughout the country that we do not yet fully understand. We urge you to proceed with some caution, as you and we attempt to understand more fully the consequences of these proposals.

If we can answer any questions or provide additional assistance regarding our comments, please do not hesitate to contact us.

Sincerely,

Judy Kennedy
President and CEO

