



Garrard County Habitat for Humanity

P.O. Box 86, Lancaster, KY 40444

June 6, 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 FHLBank of Cincinnati and its ability to support its housing mission. I represent Garrard County Habitat for Humanity who has partnered with Whitaker Bank through its sponsorship of FHLBank's Affordable Housing Program, American Dream Homeownership Challenge to provide 9 units with total funding of \$254,622 for Garrard County Habitat for Humanity's Mason Estates Project and scattered sites.

FHLBank funding is often the critical first level of financial commitment to complex housing projects. **This is especially important in small rural agricultural counties like Garrard County that has no major industries to donate funding toward affordable housing.** FHLBank funding helps leverage other sources of public and private funding and brings together the necessary partners and leaders for effective development. The FHLBank's affordable housing programs provide us with a very powerful tool to address the housing needs of customers with limited resources. These customers may be on the threshold of starting new jobs opening their first business, or making that jump to homeownership to begin building equity for the future.

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 our institution, and all to no apparent benefit. Why penalize the FHLBank member lenders and its customers? 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 affordable housing.

Sincerely,

Roberta M. Keefe
President of Garrard County Habitat for Humanity