



Cumberland Valley National Bank & Trust Company

June 7, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Attention: Public Comments
Excess Stock Restrictions and Retained Earnings Requirement 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 Cumberland Valley National Bank and Trust Company, a member of the FHLBank. We have partnered with the FHLBank through its (Affordable Housing Program, Welcome Home, American Dream Homeownership Challenge, etc.) to provide 12 families, using \$125,258.14 in Welcome Home and American Dream funds made available to us through FHLBank of Cincinnati. Please consider these 12 families that without this program, may not have had an opportunity to purchase their new home.

FHLBank funding is often the critical first level of financial commitment to complex housing projects. It 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 g 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, all to no apparent benefit. Why penalize the FHLBank member lenders and our 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,

Sandy Harris
Vice President
Cumberland Valley National Bank