

ALPHA OMEGA

**VETERANS
SERVICES, INC.**
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June 6, 2006

EXECUTIVE DIRECTOR
Cordell Walker

Federal Housing Finance Board
1625 Eye Street, NW
Washington, D.C. 20006

Attention: Public Comments
Excess Stock Restrictions & Retained Requirements for
The Federal Home Loan Banks
#3069-AB30

I am writing to express concern over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. I represent Alpha Omega Veterans Services, a nonprofit organization providing housing services to disabled veterans in Memphis, Tenn. My organization has partnered with the FHLBank to provide 33 housing units totaling \$675,000.00.

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 brings together the necessary partners and leaders for effective development. As the highly successful Affordable Housing Program is based on a 10% 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 consider this restrictive regulation that will result in lower FHLBank profits and, by extension, fewer residents gaining access to decent housing.

Sincerely,


Cordell Walker

An Agency of



**City of
Memphis**

MEMBER
DR. WILLIE W. HERBERTON, MAYOR
"A PARTNER IN THIS PROGRAM"



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the Better Business Bureau