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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 concern over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. I am the Executive Director of Lake Communities, a nonprofit affordable housing organization. Lake Communities serves all of Lake County, Ohio. Our services to low-moderate income households have increased 20X in three years. In particular we see a critical need for elderly low income homeowners attempting to maintain their existing homes in a safe and sanitary manner. These households are facing rising utility and medical costs and simply do not have the funds for simple but important roof repairs, new water heaters, ramps, plumbing repairs, etc.

Lake Communities has partnered with the FHLB-Cinci to provide an additional \$100,000 of funds for these low income senior households in our county. In 2006, Lake Communities will help 80 low income senior households with emergency rehab and repairs. FHLB funds are being leveraged with banking industry donations, foundation funding, state support and added Lake Communities funding for the program.

The FHLB has shown its commitment to needed affordable housing programs. The proposed regulation will lessen the FHLBank, reduce its profitability and increase cost to its members. There is already reduced funding available for affordable housing programs as those outlined above. Please reconsider this regulation that will hurt low income seniors and disabled homeowners in our county.

Thank you.

Sincerely,

A handwritten signature in black ink that reads 'James W. Garrett'. The signature is written in a cursive style with a large initial 'J' and 'G'.

James W. Garrett, Executive Director of Lake Communities

cc: Congressman Steven C. LaTourette