

KENTUCKY RACING HEALTH & WELFARE FUND

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June 6, 2006

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

Attention: Pubic 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 The Kentucky Racing Health and Welfare Fund, Inc. a nonprofit organization which sponsors housing services for elderly and retirement thoroughbred race track workers, and others, who demonstrate need in Kentucky. My organization has partnered with the FHLBank to provide 40 one bedroom and studio units in the refurbished 100 year old John Heywood Elementary School in Louisville.

In 2004 the project was the winner of The Ida Lee Willis Memorial Foundation Award, which is Kentucky's most prestigious preservation project award. I have enclosed a copy of the award certificate.

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 percent set-aside of annual net profits, we all have a stake in the success and profitability of the FHLBank.

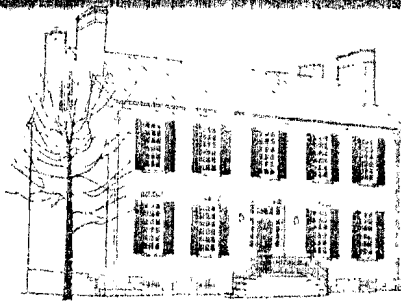
The FHLBank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the FHLBank, reduce its profitability, increase costs to its members, all to no apparent benefit. Why penalize the FHLBank member lenders, housing partners, and our at-risk clients? With few 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 decent housing.

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Yours truly,

A handwritten signature in black ink, appearing to read 'Richard Riedel', written over a horizontal line.

Richard Riedel
Executive Director



The Ida Lee Willis Memorial Foundation

AWARD

Preservation Project

May-2004

*In recognition of the significant accomplishment
involving the preservation and historic rehabilitation of
the Old Heywood School in Louisville,
this award is presented to*

*Don Ball, Susan Bunning, Cary Golde, Carol W. Hebel,
Rick Hiles, Frank L. Jones, Jr., Dale Romans,
Peter W. Salmen, Jr., and Richard P. Riedel*

Eric Fletcher
Governor
Commonwealth of Kentucky

Stephen L. Collins
Chair
Ida Lee Willis Memorial Foundation

Jaqueline Y. Day
Chair
Kentucky Heritage Council

Robert Yoder
Chair
Preservation Kentucky, Inc.

David L. Morgan
State Historic Preservation Office