



building communities...built on trust®

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June 2, 2006

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

Attention: Public Comments
Proposed Changes to the capital rule on Federal Home Loan Banks
#3069-AB30

We are concerned about the proposed capital rule and its effect on the FHLB of Cincinnati and its support of Affordable Housing Programs. We have partnered with the FHLB of Cincinnati in a number of their Affordable Housing Programs. With their partnership we have been able to provide grant funding for a number of Habitat projects in Central and Eastern Kentucky. We have also used their Welcome Home funds in partnership with our Low and Moderate income program making it possible for low income families to purchase a home with the grant assistance helping pay for closing cost and down payment. We have also just this past year used the American Dream Challenge program to make home ownership possible for 5 Hispanic families.

The funding provided by FHLB has been critical element to obtain other financial commitments for a number of housing projects. Without their commitment many of these projects would not get off the ground. They have truly been partners in addressing the housing needs of Low and Moderate Income families.

The FHLB has demonstrated its commitment over and above its mandated Affordable Housing Program. The Proposed regulation we fear would likely shrink the size of the FHLB, reduce its profitability, increase our cost, all with limited if any benefit. Why reduce the FHLB ability to so effectively provide housing dollars targeted for affordable housing. We strongly urge you to reconsider this regulation and the negative effect the regulation will have on affordable housing. The results if adopted will be fewer families gaining access to affordable housing.

Sincerely,

A handwritten signature in black ink that reads "James Brown".

James Brown
Vice President