

**BEHAVIORAL  
HEALTH  
INITIATIVES, INC.**

Administrative Office  
36C Sandstone Circle  
Jackson, TN 38305  
Phone 731/668-6886  
Fax 731/668-3045

Business Office  
P.O. Box 846  
Paris, TN 38242  
Phone 731/642-8954  
Fax 731/642-1010

BHI - Memphis  
P.O. Box 820213  
Memphis, TN 38182-0213

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July 6, 2006

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

Attention: Public 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 Behavioral Health Initiatives, a nonprofit organization providing housing services to low income Mentally Ill Adults in West Tennessee. My organization has partnered with the FHLBank to provide 22 units.

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 bring together the necessary partners and leaders for effective development. As the highly successful Affordable Housing Program is based on 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 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 decent housing.

Sincerely,



Stephenie Robb  
Executive Director