



affordable
permanent
supportive
housing

July 10, 2006

The Honorable Ronald A. Rosenfeld, Chairman
Federal Housing Finance Board
1625 I Street NW
Washington, D.C. 20006-4001
Via E-Mail @ comments@FHFB.gov and
Via Facsimile @ (202) 408-2580

**RE: FEDERAL HOUSING FINANCE BOARD REGULATORY PROPOSAL
FOR FHLB BANKS**

Dear Chairman Rosenfeld:

I am writing this letter to object to your March 8, 2006 proposal regarding excess stock restrictions and retained earnings requirements for Federal Home Loan Banks. I am specifically concerned about the affect this proposal may have on the FHLB of Indianapolis.

We feel by reducing the allowed FHLB asset size, mortgage holdings, and liquidity investments Bank income will be reduced. The reduced income to the Bank will ultimately reduce funds made available to non-profit organizations such as ours to help low-income families and individuals have adequate and affordable housing.

In addition, we understand the proposal will require increased levels of retained earnings—in an effort to decrease risk. However, it is just as likely this part of the proposal will actually increase risk since it may have the unintended consequence of reducing the number of member banks, and actually reducing the number of banks and retained earnings in the pool.

As a non-profit developer of affordable housing, and an active participant in the FHLB Affordable Housing Program for three projects, I object to the anticipated loss of available funds for the popular Affordable Housing Program. If the estimate of \$1 million reduction in funds is correct, that will mean at least three less projects getting assistance each year. Receiving a FHLB award is oftentimes the difference between going forward with a project or dropping the project. Your proposal is likely to have a drastic negative affect on low-income families and children, as well as our communities as a whole.

We respectfully request you reconsider your proposal!!

Sincerely,

Harold J. Mast
Executive Director
Genesis Non-Profit Housing Corporation

HJM/pjp

cc: Mr. Patrick Lonergan, Fifth Third Bank
Congressman Vern Ehlers, Michigan 3rd District

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