



Homesteading & Urban Redevelopment Corporation

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

June 7, 2006

Attention: Public Comments
Excess Stock Restrictions and Retained Earnings Requirements for
The Federal Home Loan Banks
#3069-AB30

This letter is being written to express my concern over the potential impact of the proposed capital rule on the FHLB of Cincinnati and the negative impact on its ability to support its housing mission.

I currently represent Homesteading and Urban Redevelopment Corp. of Cincinnati as its Executive Director, Clermont Senior Services as its Chairman Elect, People Working Cooperatively as a Board Member, The Council on Aging of Southwestern Ohio as a Board Member, and Cincinnati Development Fund as its Chairman; all 501.c.3 nonprofit Corporations providing housing services to low income and elderly clients in the Southwestern Ohio area.

I have partnered with the Federal Home Loan Bank of Cincinnati through these organizations as well as through Bethany House Services when I was their Housing Director and through Centennial Savings Bank when I was their President and Board Chairman.

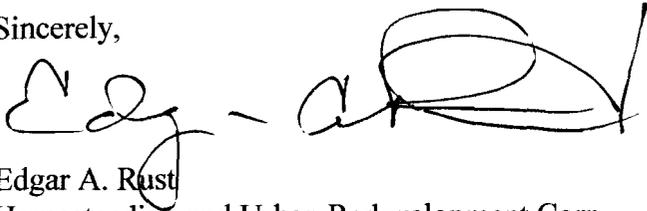
Additionally, I am a former Vice Chairman of the Federal Home Loan Bank of Cincinnati and was the first Chairman of the Federal Home Loan Bank of Cincinnati's Advisory Council.

In these capacities, I can attest to the importance of the FHLBank financial commitment as virtually every project completed through these organizations would not have been completed, or would have been less efficiently and less effectively completed without their help.

Please do not make the mistake of taking a program that works and trying to change it into one that doesn't. The FHLBank has demonstrated its commitment to affordable housing over and above its mandated AHP. Shrinking its size, reducing its profitability and increasing its cost to its members is not a way to improve its performance.

The FHLBank has been and should be a critical part of the non-profit housing industry in this area and the steps contemplated will reduce dramatically its effectiveness. I urge you to reconsider this restrictive regulation.

Sincerely,

A handwritten signature in black ink, appearing to read "Edgar A. Rust". The signature is fluid and cursive, with a large, stylized initial "E" and "R".

Edgar A. Rust
Homesteading and Urban Redevelopment Corp.
Executive Director

Cc:

David H. Hehman, President and CEO, FHLB Cincinnati
Carol M. Peterson, Senior Vice President, FHLB Cincinnati
Cecil Dunn, Executive Director, HOPE Center, Inc.