NATIONAL COUNCIL ON AGRICULTURAL LIFE

AND LABOR RESEARCH FUND, INC.

*“First in housing services, because we care.”*

December 3, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590–AA39
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, D.C. 20024

**Re: Notice of Proposed Rulemaking and Request for Comments – Members of Federal Home Loan Banks (RIN 2590–AA39)**

Dear Mr. Pollard:

NCALL, National Council on Agricultural Life and Labor Research, Inc., is an affordable housing organization that provides assistance throughout the Delmarva Peninsula and works closely with community lenders and FHLBank Pittsburgh and FHLBank of Atlanta. We know the crucial role FHLBanks serve in providing funding for community banks. This proposed rule would alter the relationship between FHLBanks and their member banks and potentially harm affordable housing.

NCALL has assisted a number of nonprofit housing organizations in applying for Affordable Housing Program funds that has resulted in five affordable rental housing developments becoming a reality. The AHP funds filled a gap in funding for all five developments. Also, I am personally a board member of Central Delaware Habitat for Humanity, which recently received an award of AHP funds. The AHP funds will enable at least five new Habitat partner families to become homeowners in the downtown development district of Dover and will increase the homeownership rate in this distressed neighborhood.

This rule will make membership in the FHLBank less attractive to banks and credit unions since continued access to FHLBank funding will be contingent on new ongoing asset tests. This will no doubt result in decreased lending by the FHLBanks, which will hurt earnings. Ten percent of the net earnings of each FHLBank are directed to fund its Affordable Housing Program (AHP). Since 1990, FHLBank Pittsburgh has provided approximately $183 million in AHP grant awards to create more than 28,000 units of housing for low or very low-income residents. FHLBank Pittsburgh’s ability to provide AHP grants to affordable housing partners to support the development of housing for very-low and low-income families will be diminished, if this rule goes into effect. There exists a growing partnership between banks, affordable housing groups and

363 Saulsbury Road, Dover, DE 19904 ٠ (302) 678-9400 ٠Fax (302) 678-9058 ٠www.ncall.org

 *United Way Affiliate Agency*

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FHLBanks through the AHP program that keeps at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks.

The neighborhoods we serve require access to credit to build new housing, rehab existing stock and stimulate community investment. An arbitrary asset test for continued FHLBank membership will achieve the opposite effect and hurt communities in the process. As a stakeholder in this process, NCALL strongly urges the FHFA to withdraw RIN 2590-AA39.

Sincerely,

Karen B. Speakman

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Deputy Director

NCALL

kspeakman@ncall.org