McDonald Construction, Inc.

212 Sunset View Drive

Bridgeport, WV 26330

304-842-2989

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)

Mr. Pollard:

As a home builder in Bridgeport, WV, I wanted to share my belief that this proposed membership rule will hurt the building industry and negatively affect home ownership opportunities. Small banks are the community lenders to home builders and make many of the acquisition, development and construction loans so critical to our industry. In order to make these loans, community banks must be assured of access to funding, whether through deposits or loans from the FHL Bank.

Home construction and rehabilitation is critical to thriving local economies. The proposed regulation will create uncertainty for small banks about their continuing ability to remain FHL Bank members and rely on funding from their FHL Bank. FHL Bank funding supports their ADC loans and mortgage loans. If small banks are not able to count on the availability of FHL Bank funding to support their ADC and other loans in all business cycles, then, they are likely to reduce their lending to homebuilders. This, in turn will make it harder for our communities to have access to sufficient credit to grow and will impede home construction that is still fragile and only beginning to rebound. Fundamentally changing a FHL Bank system that already works for small banks has the potential to hurt home building.

Builders are very familiar with the critical role in promoting housing finance fulfilled by the FHL Bank Pittsburgh. Therefore, I strongly urge FHFA to withdraw RIN 2590-AA39. Please reconsider the negative effect this type of proposal could have on the housing industry and the communities served by existing an prospective FHL Bank members.

Sincerely,

Fred McDonald

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