

December 17, 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)**

Mr. Pollard:

Fahe is a member of the FHLB and a CDFI that works closely with community lenders, affordable housing providers and FHLBanks of Cincinnati, Atlanta, and Pittsburgh. 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.

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).

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, Fahe strongly urges the FHFA to withdraw RIN 2590-AA39.

Fahe is a regional, non-profit, financial intermediary based in Berea, Kentucky that provides collective voice and access to capital for the creation of housing and promotion of community development in Central Appalachia. During FY 2014, FAHE made total direct investments of $80 million. Total capital under management including investments managed and loans serviced for other organizations topped $209 million and our Members served over 8,725 families. FAHE and its members have built and/or preserved more than 90,000 homes, made over $470 million in direct investment for a total impact of $1.0 billion.

Please contact me at 859.986.2321 should you have any questions about this letter or FAHE’s support of your affordable housing efforts.

Sincerely,



Jim King

President/ CEO