

**Chinatown Community
Development Center**

華協中心



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

RE: Federal Housing Finance Board; Proposed Rule: Excess Stock Restrictions and Retained Earnings Requirements for Federal Home Loan Banks; RIN Number 3069-AB30; Docket Number 2006-03

Dear Sir/Madam:

We are very concerned about the Federal Housing Finance Board's proposed rule on excess stock and retained earnings requirements. We have used the Affordable Housing Programs (AHP) of the Federal Home Loan Banks (FHLBanks) to help make many of our projects affordable to very low income people. San Francisco faces a severe housing affordability gap and we would be hard pressed to make such projects as the service enriched 105 unit International Hotel Senior Housing project or the 81 unit Broadway Family Apartments a reality.

We are especially concerned that the Finance Board does not seem to have devoted sufficient time to evaluating the impact of the proposed rule on the AHP and other voluntary contributions, which rely on FHLBank earnings for their funding. The proposed rule does not include any such analysis, despite the likelihood that the rule would cause a reduction in Bank earnings and, therefore, funds available for the AHP.

The overall impact of the proposed rule could be particularly adverse in this period of increasing mortgage rates and reduced federal funding for housing. It would be unfortunate if the enactment of this proposed rule caused families to be shut out of the housing market due to their inability to afford higher mortgage rates.

I urge you to withdraw this proposed rule. Its impact could be extremely damaging to the efforts of our organization and similar organizations nationwide that are working to provide affordable housing opportunities to families in need. Thank you for your consideration of these comments.

Sincerely,



Susan M. Wong
Director of Housing Development

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