



**Hilton Head Regional  
Habitat for Humanity**

[www.habitathhi.org](http://www.habitathhi.org)

June 6, 2006

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

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

I am writing to express my concern over the impact of the proposed capital rule on the FHLBank of Cincinnati and its ability to support its housing mission. I represent Hilton Head Regional Habitat for Humanity, a nonprofit organization providing housing services to very low-income residents in southern Beaufort County, South Carolina. My organization has partnered with the FHLBank to provide nearly \$475,000 used to construct homes in Brendan Woods, Bluffton, South Carolina. .

FHLBank funding is often the critical first level official commitment to our projects. It helps leverage other sources of public and private funding and bring together the necessary partners and leaders for effective development. As the highly successful Affordable Housing Program is based on a 10 percent set-aside of annual net profits, we all have a stake in the success and profitability of the FHLBank.

The FHLBank has demonstrated its commitment to affordable housing over and above its mandated Affordable Housing Program. The proposed regulation would seem likely to shrink the size of the FHLBank, reduce its profitability, increase costs to its members, all to no apparent benefit. Why penalize the FHLBank member lenders, housing partners and our at-risk clients? With fewer state and federal housing dollars available for targeted affordable housing, I strongly urge you to reconsider this restrictive regulation that will result in lower FHLBank profits and, by extension, fewer residents gaining access to decent housing.

Sincerely,

Patricia Carey Wirth  
Executive Director

