
CINCINNATI
DEVELOPMENT
FUND

1100 Walnut Street, Cincinnati, Ohio 45202
(513) 721-7211 · Fax (513) 721-7214

March 18, 2011

Alfred M. Pollard
General Counsel,
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency
Fourth Floor, 1700 G Street, NW
Washington, DC 20552

Dear Mr. Pollard:

Cincinnati Development Fund (CDF) appreciates the opportunity to comment on the Advance Notice of Proposed Rulemaking (ANPR) concerning Federal Home Loan Bank (FHLB) membership. CDF is one of the few CDFI Loan Funds in the country to achieve membership in the FHLB system, thanks to the FHFA regulations issued in early 2010. We understand, respect and indeed appreciate the sound financial criteria that are required of members. **At the same time we appreciate that we were able to offer additional information to demonstrate financial solvency that was not apparent on our balance sheet, due to the "rebuttable presumption" clause in the current guideline.**

Those membership standards issued in 2010 reflected thoughtful consideration on the part of FHFA and largely recognized the character and operations of CDFI loan funds and their differences from traditional regulated financial institutions. While we support the FHFA's efforts to apply consistent standards for all types of members, the financial structure and mission of CDFIs necessitates flexibility in the FHLBs' consideration of their membership, and the 2010 regulations preserved that important concept. We urge the FHFA to maintain current CDFI membership requirements.

We strongly encourage you to keep in place the ability for a CDFI applicant to present "rebuttable presumptions" for the FHLB's consideration in determining fiscal strength. We further ask that no major changes be made to the CDFI membership application or terms of membership until CDFI's have participated in FHLB advances and other products so that the FHFA can better understanding the implications, or unintended consequences, of prospective changes.

Finally, the FHFA's public listing of members in the System (available at <http://www.fhfa.gov/Default.aspx?Page=287>) does not indicate which members are CDFIs. We would appreciate being able to access a data base of our Peer CDFIs so that we can share best practices and fully capitalize on this exciting new opportunity.

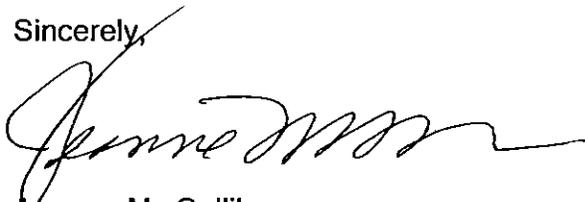
We support the recommendations of the CDFI trade association, Opportunity Finance Network (OFN), particularly with regard to promoting policies for the FHLB system to encouraging creative, but fiscally sound approaches to collateralization. As a shareholder of the FHLB Cincinnati, I respect the need to have adequate collateral to secure advances, but would **welcome an opportunity to explore prospective collateral methods and mechanisms that would serve the needs of both the FHLB system and its CDFI members.**

Conclusion

OFN and its CDFI Members continue to be excited about this opportunity for partnership with the Federal Home Loan Bank System. For the opportunity to fully benefit both CDFIs and the System, the FHFA should focus its efforts on successful implementation of the CDFI membership rules, not on changes to them.

Thank you for your consideration. If you have additional questions or concerns, please do not hesitate to contact me at (513) 721-7211 ext. 12, or j_golliher@fuse.net.

Sincerely,



Jeanne M. Golliher
President and CEO