



September 7, 2006

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth Street, N.W.
Washington, D.C. 29429

Re: Deposit Insurance Assessments and Federal Home Loan Bank Advances

Dear Mr. Feldman:

The Religious Coalition for Community Renewal (RCCR) is a non profit in Charleston, W.V. that provides housing for the homeless and low and moderate income families of our community. I write with regard to the Federal Deposit Insurance Corporation notice of proposed rulemaking and request for comment on deposit insurance assessments.

Specifically, I write to address the FDIC's request for comment on whether Federal Home Loan Bank (FHLBank) advances should be included in the definition of volatile liabilities, or, alternatively, whether higher assessment rates should be charged to institutions that have significant amounts of secured liabilities. We believe that enacting this rule would be harmful to FHLBanks, their member institutions and affordability and access to housing.

FHLBanks and their members are the largest source of residential mortgage credit in America. It is this credit that has created record homeownership rates and allows homeowners to use the equity in their homes for improvements, retirement and even college tuition.

By penalizing the use of FHLBank advances, institutions will be forced to either seek less attractive, potentially more expensive funding or curtail their lending. In either case, consumers and especially those on the lower end of the economic scale will be hurt by higher costs and a tighter credit market.

The profits generated by FHLBanks, primarily through their advance products, contribute to the largest low income housing grant program in the nation. Every year, FHLBanks contribute ten percent of their profits to affordable housing grants. Homeless shelters, first-time homebuyer projects and housing for substance abuse recovery are just three examples of projects that have benefited from the FHLBank's Affordable Housing Program.

Since 1990, the AHP has provided over \$2.3 billion for these activities. An unwarranted reduction in FHLBank advances would result in fewer dollars for these projects.

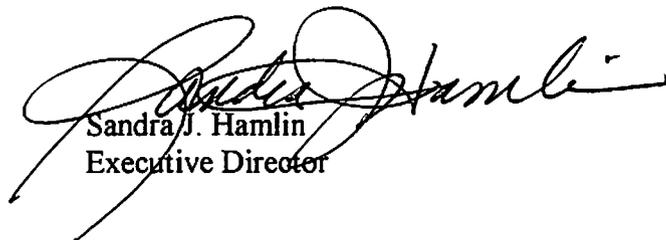
FHLBank advances are not a volatile liability for members. They come with set, predictable terms allowing efficient balance sheet management. Unlike deposits, advances do not diminish when market forces or consumer habits change.

When Congress created the FHLBank System its goal was a steady stream of mortgage credit through advances. Congress reiterated its support of advances by expanding access to this funding in the Gramm-Leach-Bliley Act. This proposal, which seeks to penalize the judicious use of advances runs contrary to the actions and intent of Congress.

Frankly, the low income families that RCCR serves have reaped significant benefits from the FHLB Affordable Housing Grant Program. In particular, forty-eight very low income seniors in my community have access to decent affordable rental housing.

I appreciate the opportunity to comment on this important matter and look forward to a resolution of this issue that benefits low and very low income families.

Sincerely,



Sandra J. Hamlin
Executive Director