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To: Federal Deposit Insurance Company

From: Gloria M. Guard, President, People's Emergency Center

RE: Covered Bond Policy Statement -- FDIC Interim Final Policy Statement on Covered Bonds -- Request for Comment on Whether There Should be a Cap on FHLBank Advances or Higher Deposit Insurance Premiums for Institutions Using FHLBank Advances

Date: May 21, 2008

VIA EMAIL: comments@fdic.gov

I am concerned that a change in the FHLBank's ability to support affordable housing development will not help low-income communities such as the one my organization serves in Philadelphia, nor help low-income homeless families afford housing.

I am president of the People's Emergency Center (PEC). PEC helps homeless families through a comprehensive approach and is recognized nationally as a best practice. The families who turn to us for help achieve stability through our shelter and housing, as well as on-site counseling, employment, parenting and children's programs. PEC complements its social services by being parent to a community development corporation whose mission is to revitalize the West Philadelphia neighborhood where PEC provides services.

I am concerned that a reduction in the use of FHLBank advances would constrain its members' ability to extend credit to their communities and worsen the already tight housing credit conditions. This might adversely affect the funding for the FHLBank Affordable Housing Program (AHP), which benefits our neighborhood.

The work of PEC has been supported by the FHLB to build affordable housing for low income families, particularly homeless families. FHLB funded four complete projects and has given us funding for two projects about to go under construction. We were fortunate enough to receive another grant from them through their Pilot Homeowner Rehab Program. Here is a sample of the housing funded with FHLB support:

Imani Homes II. PEC rehabilitated three derelict row-homes at 310 N. 31st Street, 4040 Green Street, and 4037 Green Street into 2-unit buildings with one 2-bedroom and one 3-bedroom rental units for special



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needs housing in each building. The Imani Homes II project was completed in September 2002 and the residents are linked to PEC's extensive array of supportive services to foster continued independent living.

Imani Homes IV: Through the rehabilitation of 3 properties into 8 units of supportive housing, Imani Homes IV offers mothers recovering from substance abuse addiction – as well as families with members who have mental or physical disabilities- permanent supportive housing. This project was completed in 2005.

Imani Homes V: Continuing to expand the supply of permanent, supportive housing for homeless families with special needs, PEC rehabilitated five properties on Haverford Avenue in the Mantua neighborhood of West Philadelphia. Completed in 2006, Imani Homes V consists of eleven units: three 2-bedrooms and eight 3-bedrooms, which houses eleven women and 22-30 children. It is special needs housing for mothers recovering from substance abuse addiction, as well as families with members who have mental or physical disabilities.

Cloisters III: Cloisters III is a 50-unit affordable rental housing project developed by Pennrose Properties and PECCDC and located on and around 38th and Haverford Avenue. This project consists of six one-bedroom units, 19 two-bedroom units, and 25 three-bedroom units in a variety of twins, town homes, and apartments ranging in size from 900 to 2165 square feet. Ten units are for special needs housing for the homeless and six units are handicap accessible. Construction was complete in 2007

Bernice Elza Homes (in predevelopment). Bernice Elza Homes is 6-units of permanent supportive housing for special needs teen mothers and their children. The project will be an energy-efficient building designed in partnership with University of Pennsylvania. The project will serve six teens and 12-20 children, and will begin construction in the spring of 2008

Fattah Homes I (in predevelopment). Fattah Homes I will be a mixed-use facility. It will feature 1,650 square feet of retail space on the first floor and six permanent, supportive housing units on the second and third floors. This development will both expand the supply of affordable rental units and bring new, attractive commercial space to Lancaster Avenue, a local commercial corridor. The residential units will serve formerly homeless mothers recovering from substance abuse addiction, as well as families with members who have mental or physical disabilities.

In addition, the Housing Rehabilitation Program has been a successful program rehabilitating five houses in our target neighborhood. We received \$75,000 towards basic systems repairs. We have been able to replace roofs, heaters and deal with structural issues in some of the houses. The program is targeted to individuals making 80% or below the median income. These homeowners would not have the financial ability to tackle the large projects without the help of the Housing Rehabilitation Program.

In considering a final Policy Statement, or in taking any other administrative action, I strongly urge the FDIC not to limit the amount of such support that the FHLBank provides to communities like Philadelphia.