The Opportunity Finance Network (formerly the National Community Capital Association) appreciates the opportunity to comment on the Proposed Rule on Federal Home Loan Bank Director Elections (RIN 3069-AB31, Docket Number 2006-04). We support the Federal Housing Finance Board's efforts to ensure sound governance across the Federal Home Loan Bank (FHLB) system.

The Board notes that, "One way the Finance Board can help ensure the safety and soundness of the Banks is to use its regulatory authority to enable the Banks to establish a process whereby capable and skilled persons may be nominated and elected to their boards of directors, so that each Bank's board of directors will possess the aggregate skills necessary to provide strong oversight." Opportunity Finance Network agrees that each Bank needs a Board whose members have in aggregate the skills to perform strong oversight of the Bank. One of these key skills is understanding of affordable housing finance, a knowledge base often filled by Public Interest and Community Interest Directors. The absence of appointed Directors leaves a significant gap in the aggregate skillset of the Banks' boards.

We believe that the Finance Board's proposal to allow banks to "conduct an annual assessment of the skills and experience, which, if present in the new directors, would enhance the capabilities of the board of directors" is an appropriate way to evaluate the needs of a Bank, and that including these necessary skills in the election process of the Bank is also appropriate. It remains incumbent on the Finance Board, however, to ensure that each Bank's board has a full range of necessary skills and expertise, and to appoint Bank board members with knowledge that will complement the elected directors'.

In our comment letter to the Finance Board of April 27, discussing proposed rules on the Affordable Housing Program (AHP), Opportunity Finance Network outlined some ways that experienced and capable appointed directors would contribute to the sound execution of the AHP. Because management of the AHP is an important function of a Bank's board, we renew our call for the Finance Board to fill the vacant seats with appointees with experience in community development finance. To this end, the Finance Board should hesitate no longer in filling the vacancies on the Boards with qualified candidates and expertise in affordable housing finance.

Because of the importance of AHP to the System's work, we also suggest the inclusion of "affordable housing finance" in the list of examples of qualifications in §915.9(a) of the proposed rule.
Thank you for your consideration of our views. If you have questions or comments about this letter, please do not hesitate to contact me at 215.320.4304 or mpinsky@opportunityfinance.net.

Sincerely,

Mark Pinsky
President and CEO