

March 26, 2009



LETTER OF COMMENT NO.

156

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856

Re: Proposed FSPs on OTTI

Dear Mr. Golden:

Westhab has been a non-profit housing developer for low-income families for the past twenty-six years, and has found invaluable the Affordable Housing Program funding provided by the Federal Home Loan Bank System. We understand that due to certain OTTI accounting rules requiring asset write-downs by the FHLBanks to an extent far greater than probable economic losses, the amount of available affordable housing funds has been significantly reduced. Fourth quarter 2008 financial reports from FHLBanks suggest a reduction of over \$100,000 million as a direct result of OTTI liquidity losses.

The supply of funds available for production of desperately needed affordable housing has shrunk dramatically in the past year. I think we can all agree that in the current market, the pricing of securities does not accurately reflect their true economic value. Taking steps to limit imposition of mark-to-market requirements, and therefore to limit FHLBank System losses, will at least keep open the flow of FHLB Affordable Housing Program dollars at levels previously seen.

In light of the above, we are writing to urge that the FSB require the proposed OTTI FSP to be applied retrospectively, and not just prospectively.

Sincerely

ebert Sanborn

Vice-President for Real Estate Development

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