

October 25, 2022

Dear Director Thompson:

The FHLB of Des Moines' Affordable Housing Advisory Council consists of representatives drawn from community and non-profit organizations actively involved in providing or promoting very low-, low- and moderate-income housing. The Advisory Council meets quarterly with representatives from the board of directors to advise the Bank on ways in which it can better carry out its affordable housing and community investment missions.

The FHLB System's Affordable Housing Program is one of the largest private sources of affordable housing funding in the country. Since its inception, the FHLB of Des Moines' Affordable Housing Program (AHP) has provided our local communities with over \$665 million in competitive grants assisting over 90,000 households and over \$111 million in down payment programs assisting over 20,000 households. This funding is made possible thanks to our members' strong capital base which provides stability to the overall FHLBank System. Our communities rely on AHP. We are concerned about any effort, including the expansion of membership, that could add risk to the System and its capital base and jeopardize AHP funding in the long-term.

The issue of affordable housing is complex, and its need in communities across our district is urgent. AHP can be part of the solution to simplify the complexity of affordable housing by allowing the program to better coordinate with other affordable housing funders. Pursuant to Section 10(j) of the Federal Home Loan Bank Act, we urge FHFA to work with each of the FHLBanks to "coordinate activities" of AHP "with other Federal or federally-subsidized affordable housing activities to the maximum extent possible." For example, in cases where AHP is providing a relatively modest source of gap funding, FHLBanks could rely on other funders' evaluation of an AHP project's feasibility.

Oversight of AHP is critically important. AHP has a strong track record of success due in large part to the oversight provided by its affordable housing partners all of which are mission-driven. We urge FHFA to expand how FHLBanks can leverage that oversight to increase efficiencies in AHP. Savings in AHP can be attained by focusing the program's oversight on outcomes and mission and reducing the program's complexity. These savings can be repurposed for greater outreach to targeted communities thereby maximizing AHP funding to the most deserving affordable housing projects and those most in need.

We are proud of the accomplishments of the Affordable Housing Program over the past 30 years and believe more can be achieved. We look forward to continuing to work with you to improve the effectiveness of the program and address the affordable housing need in all of our communities. Thank you for the opportunity to share our thoughts and concerns on this very important and serious issue.



Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Peterson".

Bob Peterson, Deputy Director



Sincerely,

A handwritten signature in black ink, appearing to read "Heather Piper".

Heather Piper  
Executive Director