

October 5, 2009

Federal Housing Finance Agency
Fourth Floor
1700 G Street, NW
Washington, DC 20552

Attention: Public Comments/RIN 2590-AA04

RE: Affordable Housing Program Amendments: Federal Home Loan Bank Mortgage Refinancing Authority – Interim Final Rule with Request for Comments

On behalf of the Federal Home Loan Bank of Pittsburgh (Bank), we appreciate the opportunity to comment on the Interim Final Rule (IFR) regarding refinancing authority under the Affordable Housing Program (AHP) regulation.

Targeted Homeownership Set-Aside Refinancing Program

The Bank acknowledges and appreciates the Federal Housing Finance Agency's (FHFA) expansion of the definition of Eligible Targeted Refinancing Programs in the IFR. The IFR provides the flexibility for the Bank to align our refinancing authority with federal, state, and local refinancing programs. We also acknowledge the incorporation of the requirement of the AHP five-year retention agreement and the flexibility on income determination as sound business measures.

In this IFR, comments were requested on Household Counseling and specifically as to whether households should be required to obtain counseling for foreclosure mitigation and qualification for refinancing by an eligible targeted refinancing program prior to enrollment in the AHP set-aside refinancing program. Although the Bank supports the requirement that households obtain counseling for qualification for refinancing and foreclosure mitigation, in our experience, basic in-person homeownership counseling programs are sometimes not available or accessible in the more rural areas. Other options may be necessary. Moreover, the requirement that homeowners receive the counseling prior to enrollment in the Bank's refinancing program may not be practical. Many homeowners at risk of foreclosure contact Eligible Targeted Refinancing Programs directly before they seek and/or receive counseling. Requiring the counseling prior to enrollment may unintentionally disqualify otherwise eligible homeowners.

With regard to the sunset date for the authority to commit AHP subsidy for set-aside refinancing, the Bank supports the potential to extend the authority beyond the original sunset date of July, 2010. Given the current economic climate, extending this authority may be needed to assist additional homeowners.

Accelerations of Future AHP Contributions

The Bank also supports the discretion to accelerate future annual statutory AHP contributions. The ability for the Bank to continue to support affordable housing is critical for our members and in our district. The increase from \$2 million to \$5 million is beneficial and the flexibility to credit the acceleration over a longer period (up to five years) will accommodate most financial scenarios.

Competitive Application Program: Second District Priority Scoring Criterion

Comments were also requested in this rule on whether the Second District scoring change is beneficial to the AHP competitive application program. The Bank strongly supports the ability to adopt multiple Second District Priorities to meet increased housing needs in this unprecedented time. The selection of one or more unique district needs will give us greater flexibility to address the different and varying needs across our district.

We thank you for responding to our needs and incorporating our comments in the prior version of this IFR and allowing us the opportunity to comment now. We are available to discuss any of these items further. Please do not hesitate to contact me at 412-288-2820.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bendel". The signature is stylized with a large, looping initial "J" and a cursive "Bendel".

John Bendel
Director, Community Investment