



VIA EMAIL TO [REGCOMMENTS@FHFA.GOV](mailto:REGCOMMENTS@FHFA.GOV)

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; RIN 2590-AA04 – Interim Final Rule with Request for Comments

The Federal Housing Finance Agency (the Finance Agency) has issued an interim final rule with a request for comments for certain affordable housing program (AHP) amendments, including the authority to use AHP direct subsidy to refinance residential mortgages in some instances (12 CFR Part 1291, the Interim Final Rule). The Federal Home Loan Bank of Boston (the Bank) appreciates the opportunity to comment on the interim final rule regarding refinancing authority under the Affordable Housing Program (AHP) regulation.

#### Targeted Homeownership Set-Aside Refinancing Program

Although the Bank is not implementing a set-aside program for the use of AHP direct subsidy for refinancing in 2009 or 2010, we appreciate the flexibility now included in the Interim Final Rule based on our past comments. Specifically, we

- Support the authority to use AHP direct subsidy for principal reduction and loan closing cost and the ability to choose among eligible targeted refinancing programs that include federal, state, and local refinancing programs;
- Agree that the incorporation of the requirement of the AHP five-year retention agreement is appropriate; and
- Support the Interim Final Rule's use of the relevant eligible targeted refinancing program's household income determination as important to helping overcome any technical incongruence between AHP program requirements and such relevant eligible targeted refinancing program's requirements.

#### Household Counseling

The adopting release for the Interim Final Rule specifically requests comment on 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. The Bank generally supports the requirement that households obtain counseling for foreclosure mitigation and qualification for refinancing by an eligible targeted refinancing program seeking AHP assistance. For households in rural areas or that have limited access to qualified counseling organizations, the Bank suggest allowing those households to be

referred by member financial institutions to eligible targeted refinancing programs, until such counseling can be made available through reasonable means. This will allow the households to enter into a program preliminarily and potentially receive assistance, while having additional time to meet the counseling requirement.

Sunset Date

With regards 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 home buyers.

Acceleration of Future AHP Contributions

The adopting release for the Interim Final Rule specifically requests comment on the revised acceleration provision, including whether the revised acceleration provisions provide sufficient flexibility to enable the Federal Home Loan Banks to maintain adequate AHP contributions during the current housing market and economic crisis. The Bank supports the discretion to accelerate future annual statutory AHP contributions given the financial stresses on future Bank earnings. The ability for the Bank to continue to contribute to community stabilization and investment is critical for our members and in our district. The increase from \$2 million to \$5 million will play a larger role in any district and the flexibility to credit the acceleration over a longer period (up to five years) is sufficiently flexible to accommodate most financial scenarios.

Competitive Application Program: Second District Priority Scoring Criterion

The adopting release for the Interim Final Rule specifically requests comment 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 six-state New England district with its very urban and very rural geography.

We thank you for responding and incorporating our comments in the prior version of this Interim Final Rule and again appreciate the opportunity to comment now. We are available to discuss any of these items further. Please do not hesitate to contact us.

Sincerely,



M. Susan Elliott  
Executive Vice President, Member Services