

From: Kristen Blakley [blakleyconsulting@sbcglobal.net]

Sent: Tuesday, July 14, 2009 3:56 PM

To: !REG-COMMENTS

Cc: Moira Carlstedt; Ronna Edwards

Subject: RIN 2590-AA18

Alfred M. Pollard

General Counsel

Attention: Comments/RIN 2590-AA18

Federal Housing Finance Agency

Fourth Floor, 1700 G Street, NW.

Washington, DC 20552

Dear Mr. Pollard,

As a representative of the Indianapolis Neighborhood Housing Partnership, a certified Community Development Financial Institution, based in Indianapolis, Indiana, I would like to submit comments regarding proposed regulations 12 CFR Part 925 and 12 CFR Part 1263.

The proposed rule asks for comments regarding various issues. I have listed those requests for comment and included our comments after each request.

Items for which comment is sought by the FHFA

1. (p22849) whether certain CDFIs may have difficulties in complying with the current requirements that would warrant establishing separate community support standards for CDFIs.
INHP is satisfied with the proposed rules that would require the CDFI to meet the first-time homebuyer lending standards within the current community support requirements.
2. (p22850) whether these factors (that the FHLB system and Fannie Mae and Freddie Mac are addressed by the HERA but these proposed rules only apply to the FHLBs) should result in a revision of the proposed amendment as it relates to the FHLBs.
INHP does not have any issues with a separate amendment that applies only to the FHLBs.
3. (p22851) whether the proposed definitions are appropriate in the context of assessing the financial condition of CDFI applicants.
INHP does not have any issues with the definitions as proposed.
4. (p22853) whether there might be alternatives to GAAS-compliant audited financial statements that would allow a Bank to assess accurately the financial condition of a CDFI applicant.
INHP is satisfied with the use of GAAS-compliant audited financial statements.
5. (p22854) about the inclusion of restricted assets in the net asset ratio, and on the proposed use of a minimum net asset ratio of 20 percent for membership eligibility.
INHP supports the inclusion of restricted assets in the net asset ratio, as our organization has a significant amount of restricted assets. INHP has higher ratios with or without the restricted assets than the 20% threshold, so we are satisfied with the rule as proposed.
6. (p22854) about the appropriateness of this measure of earnings and on the proposed minimum eligibility standard.
INHP understands the importance of being a financially viable organization to qualify for membership of the FHLB system. We are satisfied with the rule as proposed.

7. (p22854) about the appropriateness of the proposed loan loss reserve measure, the rationale for the different standard for CDFIs, or whether there are any alternative standards that might also serve this purpose.
INHP is satisfied with the rule as proposed and the justification provided to support this different standard.
8. (p22854) about the appropriateness of the proposed requirement for operating liquidity.
INHP suggests that an alternative calculation be considered for measuring operating liquidity as the proposed rule may not provide an accurate measure of operating liquidity. The proposed calculation of unrestricted cash and cash equivalents does not take into consideration an operating reserve, which is located in restricted cash and cash equivalents. INHP does not meet the criteria as proposed but does have a significant operating reserve that is not considered in the calculation as proposed.
9. (p22854) whether to include a standard for the self-sufficiency ratio as part of the minimum financial condition standards for CDFI members and, if so, what the threshold standard should be.
INHP does see this calculation as a valuable tool to assess the financial viability of an organization and sees the value of including it as part of the set of standards used to analyze potential members of the FHLB system. INHP agrees that a specific threshold should not be identified as this ratio could differ dramatically based on the structure and business products provided by each CDFI.
10. (p22855) whether there are any other means by which a Bank can assess the character of a CDFI applicant's management.
INHP is satisfied with the proposed rule requiring written certification addressing this requirement. We do not have a suggestion for any alternative documentation.
11. (p22856) whether it is appropriate to apply the current requirements to CDFIs or whether it would be appropriate to adopt an alternative community support standard for CDFIs that recognizes their unique mission and business practices while still complying with this statutory requirement.
INHP is satisfied with the proposed rule that would require the CDFI to meet the first-time homebuyer lending standards within the current community support requirements.

With respect,
Kristen Blakley

Kristen Blakley

Blakley Consulting Group

1165 Maxwell Lane

Zionsville, Indiana 46077

317.457.8266 phone

317.733.0062 fax

blakleyconsulting@sbcglobal.net