
From: Judy Kennedy <jkennedy@naahl.org>
To: Lockhart, James; Cross, Stephen
Sent: Fri Jul 31 10:20:29 2009
Subject:
July 30, 2009

James Lockhart, Director
Stephen Cross, Deputy Director for Federal Home Loan Bank Regulation
Federal Housing Finance Agency (FHFA)
1700 G Street, NW, 4th Floor
Washington, DC 20552

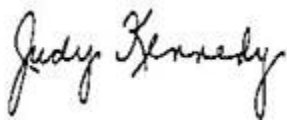
Dear Jim and Steve,

We understand from Steve's remarks today that a final rule on membership of non-depository CDFIs in the Federal Home Loan Bank (FHLB) system will not be released until the end of the year. The delay is troubling given the ongoing liquidity crisis faced by the major CDFIs that provide innovative financing for affordable rental housing and community economic development projects nationwide.

Even as CDFIs face challenges to continue their current level of lending activity, demand for products and services is increasing. An overwhelming number of respondents to a recent market conditions survey^[1]—84 percent—reported that they expected an increase in demand in 2009.

We request that the FHFA expedite the issuance of an interim final rule to get the 'ball rolling' since the individual Federal Home Loan Banks will need time to develop applications for, and complete the vetting of, any new CDFI members, before any funds start to flow. Waiting an additional five months to start this process prolongs the crisis. FHLB membership will help these CDFIs replenish their supply of loan funds and in turn, help them address the meltdown. Please let us know if there is anything we or our members can do to facilitate your rule.

Sincerely,



Judy Kennedy, President and CEO
National Association of
Affordable Housing Lenders (NAAHL)



Mark Pinsky, President and CEO
Opportunity Finance Network (OFN)

^[1] The results of two surveys conducted by Opportunity Finance Network clearly indicate that CDFIs could serve more customers with additional capital. OFN conducts a quarterly "Market Conditions Survey" to understand the impacts of tight credit markets and the economic downturn on the opportunity finance industry. The survey covering the fourth quarter of 2008 was released in April 2009 and included 118 CDFIs (14.5 percent of all certified CDFIs). The most recent Market Conditions Survey can be accessed at http://www.opportunityfinance.net/store/downloads/CDFI_market_conditions_Q109.pdf.

Mark Pinsky