Joseph McNeely
2353 Cambridge Walk
Baltimore, MD 21224-3646

June 9, 2008

Karen Walter
Federal Housing Finance Board
1625 Eye Street
Washington, DC 20006

Dear Karen Walter:

I write to oppose the Proposed Rule published by the Federal Housing Finance Board (FHFB) on Wednesday, April 16, 2008.

This proposal rewards members for making nontraditional loans with interest rate risks. Members can restructure loans on their own without removing a critical resource for asset building through homeownership for low income families.

The proposal chooses to did into one of the most important sources for affordable homeownership when other more conventional funds are available and should be used for the purposes of the rule.

The loans as described are currently performing. They are threatened with foreclosure due to imminent higher rates. Banks own these loans and can choose not to raise the interest rate.

The FHLBanks have other sources of funds and should use those funds and demonstrate their impact before tapping into a reliable source of homeownership already seen as a critical part of the pipeline for affordable homeownership.

AHP resources provide needed match funds to leverage local homeownership programs. AHP funds complement city and state downpayment grants and loans, Individual Development Accounts, and personal savings.

The proposed rule permits reallocation of AHP through June 30, 2011. This effectively diminishes resource for new, first-time low-income homeowners at a time where it is more difficult to get mortgages.

The FHLBanks have an incredible amount of resources to aid families facing foreclosure, it is unfortunate that the first resource the Finance Board encourages them to use is AHP, "the crown jewel of the System."

Sincerely,

Joseph McNeely
410 534 8033
jomcneely@verizon.net