

Linda Juarbe
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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 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.

I realize that the foreclosure crisis in our country is reaching astronomical numbers; however, without the funds we currently receive to assist first time homebuyers in preparing for and purchasing a home, there is a population of people who would possibly never achieve the dream of owning their own home, probably one of the greatest assets we can own. I have to agree that taking money from a program which incorporates education and financial assistance to provide informed homebuyers with what they need to purchase and sustain their asset doesn't seem quite right when the funds are being used to help out the mortgage lenders who deceived other homebuyers. Perhaps we should quit taking from the federal programs which work extremely hard to provide services to literally millions that need them and start to make those who are actually responsible for the predatory lending and increased foreclosures pick up the tab.

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,

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