

Comment #11

From: Blair Benjamin [blair@massmoca.org]
Sent: Friday, December 12, 2008 3:57 PM
To: Comments
Subject: Comment on RIN 2590-AA04

Blair Benjamin
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December 12, 2008

Federal Housing Finance A (FHFA)
1625 Eye Street, NW
Washington, D.C. 20006

Dear Federal Housing Finance A (FHFA):

I write to comment on the Federal Housing Finance Agency (FHFA) interim final rule to require the FHFA to allow the the Federal Home Loan Banks (Banks) to use Affordable Housing Program (AHP) homeownership set-aside funds to refinance mortgages.

I am deeply concerned that the FHL Banks would be allowed to re-allocate funds from low-to moderate-income first time home buyer assistance in providing resources for mortgage-refinancing. We should provide some opportunities for relief to home owners who are in danger of foreclosure because of inappropriate lending practices, but not by taking away resources that are a critical part of our country's infrastructure for making responsible home ownership feasible for low-to moderate-income families. At a minimum, the FHFA should demand a \$2 match from participating financial institutions for every \$1 received from the AHP for foreclosure mitigation. The Federal Housing Finance Board's original proposal included this requirement.

The Banks, in cooperation with other federal and state efforts to mitigate the foreclosure crisis, should first utilize other funds already available to them and demonstrate their impact before tapping into a reliable source of homeownership already seen as a critical part of the pipeline for affordable homeownership.

This concern has not been adequately addressed in this Interim Rule.

The FHFA has substantial flexibility to require some local buy-in before enabling a member financial institution to take resource from new, first-time low-income homeowners at a time where it is more difficult to get mortgages.

Sincerely,

Blair Benjamin
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