Comment #25

From: Colleen Dailey [cdailey@caab.org]
Sent: Monday, December 15, 2008 5:02 PM
To: Comments
Subject: Comment on RIN 2590-AA04

Colleen Dailey
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December 15, 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.

To Whom It May Concern:

Capital Area Asset Builders, located in Washington, DC, opposes the reallocation of Affordable Housing Program (AHP) contributions from homeownership to the refinancing of low- or moderate-income households' mortgage loans as currently proposed, and instead would recommend that any financial institution tapping AHP funds for the purpose of foreclosure mitigation should provide $2 of its own funds for every $1 of AHP funds used.

The worthy motive of preventing foreclosure should not come at the expense of new home purchase. Home purchase can be a powerful wealth-building tool for other low- or moderate-income families, and continuing to support the purchase of lower-cost homes creates a 'floor' mechanism for the housing market. Finally, for some homeowners facing foreclosure keeping their home may not be the best solution; as home sellers they will need ready buyers, who in turn rely upon FHFA downpayment assistance.

Capital Area Asset Builders creates opportunities for people of all incomes to improve their financial management skills, increase their savings, and build wealth. We believe that a prosperous community is one in which everyone has incentives and opportunities to save for the future.

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.

Thank you,

Colleen Dailey