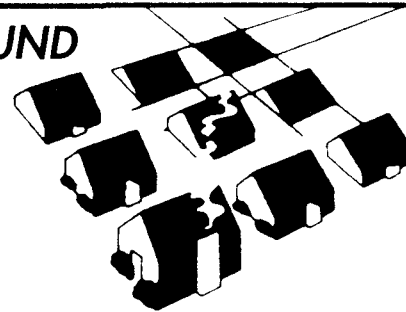


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# **WEST VIRGINIA HOUSING DEVELOPMENT FUND**

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(304) 345-6475 ♦ 1 (800) 933-9843



April 18, 2006

Federal Housing Finance Board  
1625 Eye Street, NW  
Washington, DC 20006  
ATTENTION: Pubic Comments

Re: Federal Housing Finance Board. Proposed Rule: Affordable Housing  
Program Amendments. RIN Number 3069-AB26. Docket Number 2005-23.

To the Federal Housing Finance Board:

The West Virginia Housing Development Fund (“WVHDF”) appreciates the opportunity to comment on the above-referenced proposed rule. The WVHDF believes that the Federal Home Loan Bank’s (“FHLB’s”) Affordable Housing Program (“AHP”) is an extremely important resource for those serving the affordable housing industry in our State.

The WVHDF encourages the use of FHLB AHP funds in conjunction with requests for tax credits through the Low-Income Housing Tax Credit Program (“LIHTCP”). As you may be aware, the LIHTCP is a federal incentive program to encourage private equity investments, rather than 100% federal government financing, for the production of affordable low-income residential rental housing. According to federal law, allocations must be made pursuant to a qualified Allocation Plan. The qualified Allocation Plan must provide federally-mandated selection criteria used to establish housing priorities of the West Virginia Housing Development Fund, that are appropriate for local conditions. Accordingly, because each state has vastly different demographics and specialized needs, each Allocation Plan varies from state to state.

As illustrated by the success and longevity of the LIHTCP (enacted in 1987), housing needs are best analyzed on a statewide and local basis. Therefore, the WVHDF believes that the FHLB should be permitted to create a regional (state-by-state) scoring system. This additional flexibility would allow restructuring of the point allocation per state in order to fund the most essential projects serving the greatest needs in that specific area. In addition, with the added flexibility, the FHLB would be able to coordinate scoring criteria with State Housing Finance

Federal Housing Finance Board  
April 18, 2006  
Page Two

Agencies, reducing confusion from conflicting requirements among different programs.

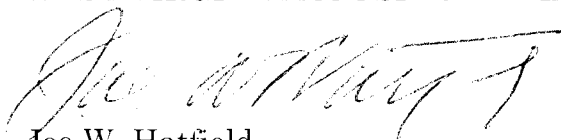
For example, the median family incomes of the states served by the FHLB of Pittsburgh illustrate the vast differences between these geographically close states:

State	Median Family Income	Percentage of Highest (Delaware)	50% of Median Family Income	Monthly Rent Based on 30% of Median Family Income
Delaware	\$67,350	100%	\$33,675	\$841
Pennsylvania	\$60,000	89%	\$30,000	\$750
West Virginia	\$46,800	69%	\$23,400	\$585

Because of the large differences shown between each state's median family incomes, the ability to produce viable properties varies greatly between these states due to varying rent potential. Therefore, based on the current AHP Implementation Plan (which does not utilize a dollar comparison as shown above), a property in West Virginia, while actually serving a lower income family, would have difficulty achieving feasibility due to lower rent potential while competing against a similar property in Pennsylvania or Delaware that is able to score Targeting points with less likelihood of jeopardizing property feasibility.

The WVHDF respectfully requests that the Federal Housing Finance Board consider this comment. Thank you for the opportunity to comment on this proposed rule.

Very truly yours,  
WEST VIRGINIA HOUSING DEVELOPMENT FUND



Joe W. Hatfield  
Executive Director

JWH:mlw