



April 21, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington, DC 20006

Attn: Public Comments

Thank you for the opportunity to comment on the proposed rule for the Affordable Housing program. The Greater Rochester Housing Partnership is a CDFI providing short-term loans and other financial services to developers and builders of affordable housing in the Rochester region. In addition to being president of the Greater Rochester Housing Partnership, I serve as a volunteer member of the Affordable Housing Advisory Board of the FHLB of New York.

In many of the affordable housing projects the Partnership is involved in, AHP is a critical financial tool. In our relatively weak real estate market, AHP funding is used extensively as developer equity by non-profit developers in the creation of both rental and for-sale housing.

There are three proposed changes in the regulations on which I would like to comment: the proposed new use of AHP funds for loan pools or revolving loan funds, the ability to fund projects located outside a FHLB district, and changes in the monitoring of AHP awards.

- I am very excited about the opportunity to use AHP funding as capital in local revolving loan funds. This change in the regulations will allow the FHLB and its member institutions to take a direct and active role in funding critical and creative local funds designed to meet the specific financing needs of local developers. While I have no doubt that this kind of investment may create new monitoring and application design challenges, I believe AHP investments in pools or revolving loan funds may quickly become the hallmark program of the AHP. It will encourage member banks to be directly involved in the creation of local solutions to systemic shortages in funding for affordable housing.
- In an environment of ongoing bank mergers and consolidations, the question of developers maintaining relationships with shifting member banks and FHLB districts has been frustrating for bankers and developers alike. By prohibiting restrictions on the use of AHP funds out of district, developers and communities can continue relationships with the banks or bankers that have understood and traditionally met their AHP needs.

- Finally, I encourage the Board accept the proposed changes in the monitoring requirements that will allow FHLB to coordinate with and rely on state allocating agencies or others that are already providing project monitoring. By reducing monitoring requirements, without sacrificing project accountability, the administrative burdens on projects and FHLB staff may be significantly reduced.

Sincerely,

Jean A. Lowe
President

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