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April 22, 2006

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

Attn: Public Comments

To Whom It May Concern:

I am providing comments on behalf of the New York State Rural Housing Coalition providing training and technical assistance to a network of community based, not for profit housing and community development organizations working in non-metro New York State.

I am also a member of Federal Home Loan Bank of New York's Advisory Council.

§951.4 Advisory Councils

After disclosing that I am currently a member of the Advisory Council of the New York Bank, I am generally supportive of the proposed rule at §951.4. I am not sure to what extent these revised rules strengthen the role of the Advisory Councils but, I do think the rules provide the framework for the strong Advisory Councils that can help insure that the FHLB resource is directed to where the resource is needed most and that it is provided in a manner that can be effectively administered in communities by the not-for-profit organizations.

§951.5(c)(13) Use of AHP subsidy by revolving loan funds.

We support this eligible activity. There a number of CDFI and other not for profit lenders working in our area. Many of them have been very successful in managing revolving loan funds. The activity meets a real need for small, flexible term loans for a broad range of purposes.

§951.5(d)(5) Scoring criteria

Low values and high vacancy rates in the areas we work suggest a need for a focus on rehabilitation programs under both rental housing and owner-occupied projects. Our

colleagues are concerned that there is a scoring bias working against owner-occupied projects. We would suggest that the lack of any such awards in our Bank's last two rounds suggests that this might be the case.

We find that there are a number of scoring categories that a rural not for profit applying for funding for an owner occupied rehab project will not be likely to score any points. Donated property will not apply to owner occupied units. Addressing the needs of homeless households is a worthy priority but one that it difficult to achieve in this kind of program. While we also support the philosophical position, we find it difficult to garner points in this category in rural places with diffuse populations and limited access to the types of services this category rewards. We also have limited ability to score under the criteria of Community stability. Although these programs do have a stabilizing impact, the points will be limited to the rare places that have a neighborhood stabilization plan (we are rural) and perhaps a few points for non-displacement.

We think it would be best to eliminate one or more of these criteria and develop some way of recognizing the community stabilization provided by the rehabilitation of owner occupied housing.

§951.6(2)(ii) re: housing counseling requirement

We reluctantly support the change to allow a housing counseling requirement at the discretion of the Bank. While we strongly believe that housing counseling should be a universal requirement, we recognize that quality counseling is not universally available. There for, we enthusiastically support the rule at §951.6(c)(8) that allows use of subsidy to pay for the cost of counseling. We hope the Banks will support the use of this provision to support local capacity to provide quality, consistent homebuyer counseling. We oppose the provision at §951.5(a)(7) allowing the counseling payment to be made only where the homebuyer purchases an AHP-assisted unit. We believe that this provision risks providing an inappropriate incentive for the counselor. Some clients are best served by advice not to purchase or that there is a more appropriate product for that particular buyer's need.

§951.7 Monitoring

We are generally supportive of this section. We are particularly pleased that the rule at §951.7(a)(2)(B) allowing the Banks to rely on other monitoring. For a project operator, it is a challenge to meet the monitoring requirements of multiple entities. The situation creates stress and confusion that is best avoided. The agencies in our State that participate in AHP funded projects are more than capable of providing high quality monitoring. We also support the use a sampling plans in the monitoring of homeowner projects.

Thank you for the opportunity to comment on these rules.

Sincerely,
Blair W. Sebastian
Executive Director