

April 24, 2006

Mr. Charles McLean
Director of Policy
Federal Housing Finance Board
1625 Eye Street N.W.
Washington DC 20006

RE: Affordable Housing Program Amendments

Dear Mr. McLean:

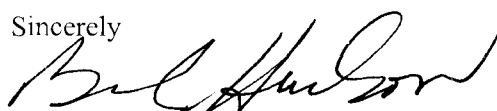
I understand that the Federal Housing Finance Board (Finance Board) is proposing amendments to rules governing the Federal Home Loan Banks (FHLBanks) Affordable Housing Program (AHP). On behalf of the Commonwealth of Pennsylvania, and the Pennsylvania Housing Finance Agency (PHFA), the Commonwealth's leading provider of affordable housing, I would like to provide comments for consideration by the Finance Board.

As a critical partner of Housing Finance Agencies (HFA's) and affordable housing, the FHLBanks AHP is often the funding that moves a development forward. More specifically, I support and highly recommend the expanded use of set-asides and scoring flexibility tailored to the needs of the FHLBanks districts. PHFA, like many state HFA's, has utilized set-asides in the Low Income Housing Tax Credit Program (LIHTC) to provide affordable housing to those communities most in need. Some examples of the current set-asides utilized by most HFA's include those for non-profit entities, preservation and community impact. In addition, PHFA utilizes a point scoring system to rank developments, which allows the Agency to allocate points to those areas deemed to be most critical or with special needs. In permitting the FHLBanks the flexibility to allocate the scoring points based on the needs of their districts, the Finance Board would establish a more efficient mechanism of distributing this valuable, but limited resource. The use of set-asides would further enhance this distribution while ensuring that the needs of the communities are being met.

I strongly believe that consideration of these issues would serve to strengthen the partnership that the FHLBanks have not only with HFA's, but with all providers of affordable housing. I am available to discuss the amendments, and can be reached at 717.780.3827.

Thank you for your consideration..

Sincerely



Brian A. Hudson
Executive Director/CEO