

April 26, 2006

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

Attention: Public Comments

The following comments are offered by ***Rural Opportunities, Inc., 400 East Ave., Rochester, NY 14607***

ROI operates homeownership assistance programs in four states and Puerto Rico. ROI also develops affordable rental housing, including housing for farmworkers, in five states and Puerto Rico. ROI has worked with member banks for many years to access AHP funding for both affordable rental housing development and homeownership assistance.

On the Homeownership Counseling Requirement:

Most Homeownership programs that are competitive enough to receive AHP funding will be serving the lowest income households possible who can reasonably expect to become successful homeowners. Few recipient households will have pristine credit. Counseling should be expected.

AHP funds are in fact the source of the First Home Club funding. Most, if not all, of First Home Club enrollees require extra preparation time precisely because they need to repair credit. It is virtually impossible to repair credit without skilled guidance from a Certified Counselor.

ROI has ever found a link between one's financial preparedness to purchase and the need for education. In fact, our policy for several years has been to integrate basic financial education with purchase counseling. First time homebuyers with good credit will likely never have had a purchase mortgage loan and, therefore, are as vulnerable as any other buyer to post purchase problems.

In areas of the country that lack an adequate number of certified counseling agencies, Neighborhood Reinvestment, Fannie Mae, Freddie Mac and other sources of training information should be asked to expand certification opportunities for local organizations.

Requiring counseling is sound policy.

On Federally Declared Disaster Areas:

ROI also supports the proposal to provide financing for housing in federally declared disaster areas and to low and moderate - income families displaced by disasters. This is consistent with the regulation changes implementing the Community Reinvestment Act. The proposal would work well with CRA to direct resources to geographical areas and low and moderate-income families afflicted by natural disasters.^[5]

On Projects Outside FHLB Bank Member Districts:

ROI believes that it is important to retain FHLB bank discretion to weigh in-district projects more heavily. The preference for in-district projects preserves an important geographic balance. Eliminating all in-district preferences may eventually divert projects to districts with large, multi-billion dollar banks and away from districts with fewer banks and/or smaller banks.

Yours truly,

Keith W. Scholes
Sr. Program Director
Rural Opportunities, Inc.
400 East Ave.
Rochester, NY 14607
(585) 340-3315
(585) 340-3309 fax