

Wabuck Development Company, Inc.



May 26, 2006

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

Attention: Public Comments

Federal Housing Finance Board

Proposed Rule: Affordable Housing Program Amendments
RIN Number 3069-AB26
Docket Number 2005-23

My company is a frequent user of the Affordable Housing Program as a resource for creating affordable housing opportunities. As a user we have become intimately familiar with the practical side of the AHP regulations. We therefore offer the following comments:

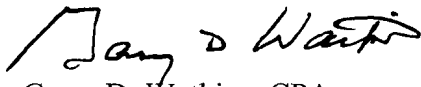
We strongly request that the FHLBank's Board of Directors be given greater flexibility to modify projects in extraordinary situations. It is not unusual, especially for a rental project, to require over two years for a project to come into existence. There are unlimited unforeseen circumstances that may arise that could affect the scoring for an approved project which are beyond the control of the sponsor or member bank. We recently had a situation in an urban area where the city reneged on a commitment to provide land for a project after a shake up on the city commission. Finding an alternative site could have affected scoring. The project already had a large amount of resources invested in it. If the rescoring had placed the project out of the funded range, the FHLB's Board of Directors would have been helpless to provide a solution. This is certainly contrary to the spirit and intent of the program.

We deal with several banks which do a heavy volume of business with the FHLBank. Our conversations with them, and we concur, is that those member banks which are contributing to the success of the AHP program should have more access to the AHP resources than those members which are token users. Therefore we would prefer that the FHLBank be able to continue to use a "credit use" test to determine the amount of AHP a member is eligible for.

We are concerned in regard to the monitoring requirements and moving to “risk-based” monitoring. We have been involved in over 65 AHP projects. None have failed. However we acknowledge that risks exist. As a CPA who practiced over 20 years, I understand the mind-set of examiners. I fear that the failure of a project may infer the failure to monitor. The nature of the population served, low income and special needs families, lends itself to risk. We recommend that the FHLBank retain its monitoring flexibility. We further feel that the FHLBank should have the ability to step in to prevent the loss of a project which is at risk.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Garry D. Watkins". The signature is written in a cursive style with a large initial "G".

Garry D. Watkins, CPA
President, Wabuck Development Co., Inc.

Cc: Carol Peterson, FHLB