



# Coachella Valley Housing Coalition

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April 27, 2006

Federal Housing Finance Board  
Attention: Public Comments  
1625 Eye Street, NW  
Washington, DC 20006

Re: 12 CFR Part 951  
Affordable Housing Program Amendments

Dear Reviewers:

The staff of the Coachella Valley Housing Coalition (CVHC) appreciates the opportunity to review and comment on the proposed changes to the Affordable Housing Program. In general, CVHC supports the proposed changes to the program, but there were five subsections of the proposed rule on which staff had comments or concerns. Please review the following responses to the various subsections:

## **Proposed § 951.2(a)(2)**

In order to avoid the possibility that a Bank might be required to contribute an amount in excess of its income, rather than requiring that the bank contribution not exceed its net earnings for the previous year, CVHC questions why the aggregate amount not be increased to a higher number which would allow banks to contribute based on the prorated amount. This formula would be simpler to enforce and would ensure a baseline level of funding.

## **Proposed § 951.3(c)**

If the Federal Home Loan Bank is required to notify the Finance Board within 30 days of amending its AHP implementation plan, CVHC staff believes that it would be beneficial to also notify all member banks and participating project sponsors by email. If the information is posted on the Bank's website, this does not automatically mean that partners will be aware that the information has been posted.

## **Proposed § 951.5 (c)(13) and (14)**

This proposed rule permits that at the discretion of the FHLB District Banks, AHP subsidy can be used for loan pools and revolving loan funds. This rule is intended to expand the range of eligible means for supporting affordable housing. This rule change is an excellent opportunity for third party financial bodies like CDFIs to administer these funds providing additional lending (Loans) rather than through the AHP Grant process. In addition, these third party bodies would be able to supply technical support for the borrowers and provide loan servicing. Therefore, CVHC supports this change.

**Proposed § 951.5(c) (15)**

This proposed change would have both negative and positive affects on projects, depending on their location. Projects not in a member Bank's area can apply for AHP Funds without scoring issues but the funds available in the FHLBank of San Francisco's district, which are considerably more than most FHLB Districts, would be at greater risk for competition from out of district projects. This would increase competition for funds in our district, potentially affecting the AHP funding level for our projects and other projects in our district.

Additionally, CVHC staff has reviewed the comments sent to the Federal Housing Finance Board by the Federal Home Loan Bank of San Francisco, our district bank, and supports the recommendations the Bank has made.

Please feel free to contact CVHC for any further input you may require or if you have any questions regarding our comments.

Sincerely,

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