



November 20, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA39
Federal Housing Finance Agency - Fourth Floor
1700 G Street, NW
Washington, D.C. 20552

Re: Notice of Proposed Rulemaking and Request for Comments – Members of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

On behalf of Habitat for Humanity of Kent County (Habitat Kent), I am writing to request that the FHFA reconsider the Notice of Proposed Rulemaking – Members of Federal Home Loan Banks (NPR), based on its potential to negatively impact the development of affordable homeownership opportunities in our service area and nationwide.

Habitat Kent is a nonprofit organization dedicated to the mission of affordable homeownership and neighborhood revitalization in the greater Grand Rapids area. In our 30-year history, Habitat Kent has built or rehabilitated 370 homes, served more than 500 families, and lifted more than 1,000 children out of poverty housing. In response to the devastation of the housing crisis in Grand Rapids, we have expanded our focus from individual homes to entire neighborhoods to achieve greater impact and better meet the needs of our community. Our mission statement now reflects our commitment to bring people together to build homes, communities, and hope.

Habitat Kent partners with qualifying low-income families who demonstrate a need for housing, the ability to pay a mortgage and the desire to own their own homes. We are one of more than 1,400 local affiliates of Habitat for Humanity International, which has a successful global track record of partnering with individuals, businesses and organizations to achieve our mission.

In our fiscal year (FY) 2014, the Federal Home Loan Bank of Indianapolis (FHLBI), through its Homeownership Opportunities Program (HOP), awarded us \$35,000, which benefited 7 families. This money went directly onto the HUD-1 Statement at the time of closing to reduce closing costs and the remaining principal mortgage balance which helped to keep our homeowners' monthly payments affordable. In FY2015, we have already closed with 5 families who received HOP assistance, totaling \$25,000.

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We also leverage funding through FHLBI's Neighborhood Impact Program to provide critical home repairs for the principle residences of low-income homeowners. In FY2014, we were awarded \$14,404 in NIP dollars to apply toward our efforts of revitalizing entire neighborhoods in Grand Rapids.

These recent examples illustrate how Habitat Kent and our homeowners have benefited from FHLBI's Affordable Housing Program (AHP), but we know that the AHP is an invaluable resource to fight poverty and homelessness throughout Michigan, Indiana, and nationwide. In fact, the Federal Home Loan Bank (FHLBank) system is the largest single funding provider to Habitat for Humanity.

As you know, the AHP is not mere charity. By law, the amount of funds available is directly correlated to the profits of the FHLBanks. Said profits are largely derived from advances to members that are fully collateralized with quality assets, including housing-related assets. Not only does AHP funding come from profits that are produced by sound banking practices, we know that the AHP is carefully administered. Both the AHP sponsors and FHLBI staff perform extensive reviews to help ensure that each project is worthy of AHP funding to best serve the community. While these practices are not necessarily designed for our protection, Habitat Kent and community builders like us take confidence in and rely on FHLBI's strength.

It is our understanding that if the FHFA adopts the NPR, FHLBI will lose members and income, which will negatively impact the AHP. Of course the other FHLBanks will experience similar losses resulting in a weakened AHP throughout the United States. Our country is emerging from the Great Recession, but competition for charitable dollars is at an all-time high. The AHP does not eliminate our need for public funding, but if our access to the AHP is restricted, we will need to devote greater efforts and resources to raising the funds needed to build homes. Reduced AHP funding and higher operating costs will erode our ability to improve lives and communities through homeownership.

To protect the Affordable Housing Program and the homeowners and communities so greatly benefited by it, Habitat for Humanity of Kent County respectfully requests that the FHFA reconsider the NPR.

Sincerely,



Mary Buikema
Executive Director
Habitat for Humanity of Kent County