



Neighborhood Development

Associates, LLC

November 28, 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 Rule-Making and Request for Comments – Member of Federal Home Loan Banks (RIN 2590-AA39)

Dear Mr. Pollard:

I am an affordable housing consultant and have worked with the Federal Home Loan Bank of Indianapolis (FHLBI) on affordable housing projects since 1990.

If the FHFA implements the proposals in the Notice of Proposed Rulemaking (NPR), it appears that the FHLBI will be at risk of losing several members. The new on-going compliance tests, which are not a good measurement of a company's commitment to affordable housing, will make it more difficult for small and medium-sized banks to become and remain members of the FHLBI. The FHFA is also seeking to expel current captive insurance company members and to prohibit other captive insurers from membership, which will take away an active and growing group from FHLBI membership. Eliminating members will reduce the funds available for the Affordable Housing Program (AHP) and the number of members that organizations such as mine can partner with to complete housing initiatives.

Over the last 24 years, I have prepared and administered many FHLBI Affordable Housing Program grants. These grants have provided valuable assistance to all types of housing projects. For home ownership developments, FHLBI funds have been used for Habitat for Humanity and infill developments in urban areas. For rental housing, these funds have been used for women's shelters, housing for developmentally disabled persons and affordable housing for families and seniors. One of the great strengths of FHLBI's AHP is the flexibility and versatility to work in rural and urban areas on housing developments to fit the needs of different types of low income families and individuals. These projects would not have been possible without FHLBI funds.

The story of the YWCA of St. Joseph County is a great example of an AHP project. The organization was facing hard times with substantial financial issues. Their building was constructed in the 1920s and was built as a dormitory for young women coming to South

Bend to work in the factories. In recent years, the building was being used as a shelter for homeless women and victims of domestic violence. The rooms were about 10' by 10' and each floor had two toilets and showers for about 20 rooms. Entire families were living in one or two of these tiny rooms because they had nowhere else to go. The leadership of the organization had a vision of a new building. The FHLBI was one of the first funders to commit to the project. That early support helped the YWCA Board of Directors to keep going and eventually raise the five million dollars needed for the project. Today the YWCA is a thriving, leading organization in the city, and the new building provides modest and reasonable housing for families so they can stabilize their lives and make plans for their future.

Another thing I like about the AHP is the efficiency of FHLBI's administrative process. The FHLBI is one of the best managed of any of the funders I have encountered. With no cross cutting federal restrictions, the program has necessary flexibility. The FHLBI forms are designed to obtain only needed information, and unlike many other applications, the forms do not ask for the same information in several different places. They have character limits, so, excess verbosity is not encouraged. Overall these are the most workable forms of any of the funders that we work with. The funding requirements are clear and the compliance structure insures that the projects meet commitments without timewasting details. The FHLBI's efficient AHP operations are the outgrowth of a private-public partnership. Member depositories, insurance companies and non-profit partners all work together to reach a common goal. In these times of tight budgets and divisive arguments, we need to help organizations that can harness business acumen to meet public goals.

Please withdraw the NPR and allow the FHLBI to continue the good work of the AHP.

Sincerely,



Anne Mannix
Housing Consultant
Neighborhood Development Associates, LLC