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ACHIEVEability
EDUCATION. HOUSING. SELF-SUFFICIENCY.

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590–AA39
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, D.C. 20024

December 9, 2014

Mr. Pollard:

ACHIEVEability strongly recommends that FHFA withdraw RIN 2590-AA39. For over 30 years ACHIEVEability has worked to break the generational cycle of poverty. ACHIEVEability integrates safe and affordable housing and a multi-disciplinary approach to supporting individuals on their journey out of poverty. Our trademarks: college degrees and education as the pathway to self-sufficiency, a high expectations and high accountability model and recognizing that our parents are role models for their children. Our FY2014 results reflect deep benefit to the community.

- For the 163 families served in FY2014, 19 parents earned college degrees; 63% earned at least six college credits.
- Exiting degree earners experienced a 107% increase in hourly wages relative to entry ($15,600 higher average annual earnings).
- 63% of current parents increased their incomes since entry ($4,200 higher average annual earnings).
- 88% of parents maintained employment; 75% of unemployed parents secured jobs.
- In keeping with our mission of breaking the generational cycle of poverty, we are very proud that 95%-100% of our children graduate from high school and nearly 2/3rds follow their parent's footsteps to college. These results are especially notable in an area of the city with high school graduation rates between 44-57%.
- An Econsult study showed that for parents who exited between 2008 and 2010: public subsidies received were reduced by 25%; earned income increased by 54%; and taxes paid increased by 85%.

None of these outcomes would be possible without the foundation of safe and affordable homes for our families who come to ACHIEVEability from shelters and unsafe housing conditions. For example, FHLBank and PNC will be our partners when we redevelop 48 units as part of our Haddington III tax credit partnership upon award from PHFA this Spring. This FHLBank funding enables us to better serve our families when we don't have to divert funds from our transformative program to cover real estate losses from aged properties. FUNDING matters in the uphill battle against the generational cycle of poverty and FHLBank Pittsburgh is a critical partner in the equation.

As an affordable housing partner that works closely with community lenders and FHLBank Pittsburgh, we have observed firsthand the important role that the FHLBank plays in providing funding for community banks. The proposed rule will profoundly change the relationship between FHLBanks and their member banks that is so important to the affordable housing community in their local markets.

This rule will make membership in the FHLBank less attractive to banks and credit unions since continued access to FHLBank funding will be contingent on new ongoing asset tests. This will no doubt result in decreased lending by the FHLBanks which will hurt earnings. As you know, 10% of the net earnings of each FHLBank funds its Affordable Housing Program (AHP) Since 1990, FHLBank Pittsburgh has provided approximately $183 million in AHP grant awards that have created more than 28,000 units of housing for low or very low-income residents. If current and prospective membership in an FHLBank is threatened, FHLBank Pittsburgh's ability to provide AHP grants to affordable housing partners will be diminished. In short, FHLBank Pittsburgh will have fewer funds available to provide AHP grants to support very-low and low-income housing. The recent HMDA data for 2013 shows the share of home mortgage loans to borrowers with incomes at or below 80% of area median income (borrowers served by FHLBank's AHP program) fell to only 26% of the total mortgage loans made in 2013. Consequently, a reduction in funding for housing for low-income borrowers at this time of fragile housing and mortgage markets is particularly damaging. The partnership that results between banks, affordable housing groups and FHLBanks for a successful AHP program saves at-risk families, veterans, senior citizens and people with disabilities from falling through the cracks. Working together, we keep people off the streets and help stabilize lives and communities.

We may not be FHLBank stockholders, but we are stakeholders. The neighborhoods we serve require access to credit to build new housing, rehab existing stock and stimulate community investment. An arbitrary asset test for continued FHLBank membership will achieve the opposite effect. Our relationship with vulnerable populations with urgent needs for safe and affordable housing leads us to conclude that restricting the continued access of banks and credit unions to FHLBank membership will hurt communities.

Sincerely,

Susan Patton
CEO, Interim
ACHIEVEability