1. What are the benefits and risks of allowing the Banks to establish Targeted Funds?

If structured properly allowing targeted pools would be very helpful. The current proposed rule will not incentivize the Banks to have targeted pools because of the requirements and limited funding for the pools because of the Regulatory priories and outcome based requirements.

**I strongly oppose the approach where the Regulatory sets the regulatory priorities. I feel each bank should determine the District priorities and submit the priorities to FHFA for acceptance. This would meet the statutory requirement of FHFA setting priorities through a review and acceptance process.**

**As flawed as the current scoring system might be, the current system is actually more flexible than what is being proposed.**

1. Is the proposed allocation of 40 percent of total AHP funds to Targeted Funds an appropriate percentage, or should the percentage be higher or lower?

**As currently structured it is doubtful that Target Funds will be widely used and getting to 40% with all other requirements is highly unlikely**

1. Would the proposed expansion of the contents of the Targeted Community Lending Plans impede the Banks’ ability to respond to disasters through the AHP?

**If the lending plan must be submitted and approved as proposed then I believe it would be limiting unless a set amount of funds is allocated for a disaster fund. But if then no disaster occurs those funds will not be used in that funding year. A more flexible approach seems warranted**.

1. What are the benefits of the proposed expansion of the contents of the Targeted Community Lending Plans and their linkage to the AHP Implementation Plans?

**No response**

1. Is the requirement that members’ AHP agreements with LIHTC project sponsors 102 include a provision requiring the sponsors to provide prompt written notice to the Bank if the project is in noncompliance with the LIHTC income-targeting or rent requirements at any time during the AHP 15-year retention period practical, and should it also be required of project sponsors in the event of noncompliance by their projects with the income-targeting or rent requirements of the government housing programs discussed under the Monitoring section?

**It is not practical extending AHP requirements to other funding sources has always been a burden and not practical**

1. What are the advantages and disadvantages of an AHP owner-occupied retention agreement, would eliminating it impact FHFA’s ability to ensure that AHP funds are being used for the statutorily intended purposes, and are there ways to deter flipping other than a retention agreement?

**District Banks should be given the option of requiring or not requiring. The amount and other factors would drive each Banks decision. Citing that the requirement is not needed because it is not a problem lacks credibility since there is currently a requirement in place that should limit the amount of flipping**

1. Should the proposed increase in the maximum permissible grant to households from $15,000 to $22,000 under the Homeownership Set-Aside Program impact the decision on whether to

**See response to #6**

1. Should the current provision in retention agreements requiring that notice of a sale or refinancing during the retention period be provided to either the Bank or its designee (typically the member) be revised to require that the notice be provided to both the Bank and its designee if a retention agreement requirement is retained in the final rule?

**At the discretion of each Bank**

1. Should the AHP retention agreement, if retained in the final rule, require the AHP-assisted household to repay AHP subsidy to the Bank from any net proceeds on the sale or refinancing of the home or from the net gain?

**At the discretion of each Bank**

1. What are the merits and disadvantages of the net proceeds and net gain calculations from the standpoint of the AHP-assisted households and the Banks, 103 and are there other subsidy repayment approaches FHFA should consider, if the AHP retention agreement requirement is retained in the final rule?

**At the discretion of each Bank**

1. What approaches would provide a reasonable basis to assume that the subsequent purchaser of an AHP-assisted unit is likely to be low- or moderate-income, including proxies that could serve this purpose?

**No response**

1. What proxies would be reasonable for assuming a subsequent purchaser’s income, including the following or others: certification from the subsequent purchaser or a third party that the subsequent purchaser’s income is at or below the low- or moderate-income limit; evidence that the subsequent purchaser is receiving direct homebuyer assistance from another government program with household income targeting requirements substantially equivalent to those of the AHP; the purchase price of the AHP-assisted unit is less than the median home price in the area; the AHP-assisted unit is located in a census tract. or block group where at least 51 percent of the households are low- or moderate-income; or FHA or other underwriting standards indicating that the income required to purchase the AHPassisted unit at the purchase price is low- or moderate-income?

**At discretion of the Bank**

1. Should there be an exception to the AHP subsidy repayment requirement in the AHP retention agreement, if retained in the final rule, where the amount of AHP subsidy subject to repayment, after calculating the net proceeds or net gain, is $1,000 or less?

**At discretion of the Bank**

1. If the AHP retention agreement is retained in the final rule, should the rule clarify that the obligation to repay AHP subsidy to a Bank shall terminate not only after any event of foreclosure, but also after transfer by deed in lieu of foreclosure, 104 assignment of an FHA mortgage to HUD, or death of the owner(s) of the unit? Subpart C – General Fund and Targeted Funds

**At discretion of the Bank**

1. How should preservation of rental projects be encouraged through the AHP while discouraging displacement of current occupants with higher incomes than those targeted in the AHP application submitted to the Bank for approval, and is the proposed requirement for a relocation plan approved by the primary funder reasonable?

**This is only an issue in higher cost or rapidly gentrifying neighborhoods. Instead of having a system wide regulation each bank should have discretion within the context of an approved lending plan**

1. Are the current AHP requirements for sponsor-provided permanent financing reasonable, do the sponsors have a need for AHP subsidy in light of their particular financing model, and does the current method in the regulation for determining their need for AHP subsidy understate or overstate the amount of AHP subsidy needed?

**Need for subsidy definition or lack of one is a fundamental problem with AHP. Disregarding required reserve requirements and supportive services cost in LIHTC projects understates the need for subsidy**

Should sponsors using the sponsor-provided permanent financing model be considered revolving loan funds and, if so, should they be subject to the current or different AHP revolving loan fund requirements?

**Revolving loan funds should be allowed and should be developed to meet each Bank’s need and a system wide standard should be avoided**

1. What are the potential advantages and disadvantages of allowing the Banks to impose a maximum subsidy limit per project sponsor?

**I believe this will vary bank to bank, having a limit on its face would encourage more sponsors but in reality only a limited number of member banks sponsor the applications now**

1. What are possible approaches for re-ranking applications to meet the outcome requirements while at the same time maximizing the extent to which the highest scoring applications are approved?

**Re-ranking is a very poor solution and speaks to the weaknesses of a Regulatory mandate outcomes approach. Re ranking will discourage submissions and make the program seem political to the users**

1. Are the current AHP revolving loan fund provisions reasonable, and how could the financing mechanisms of revolving loan funds be used successfully with AHP subsidies? 105

**No Opinion**

1. Why have certain AHP scoring criteria for revolving loan funds been difficult to meet, how would AHP subsidy be repaid in the event of project noncompliance, and how can a revolving loan fund demonstrate a need for the AHP subsidy?

**Subsidy need demonstration would work like many investor funds that CDFI use. Underwriting criteria would be established and only qualifying projects would be eligible**

**Would the proposed outcome requirements for the statutory and regulatory priorities facilitate use of AHP subsidies by revolving loan funds, and if so, how?**

**Proposed regulatory outcomes set by FHFA instead of the Banks limits the use of the program in all aspects.**

23. What are the potential positive or negative impacts of eliminating the owner occupied retention agreement requirement for revolving loan funds?

**Let the Banks determine what is best for each District**

 24. Are there loan pools currently existing in the market that meet the conditions in the current regulation, how are the loan pools addressing current housing market needs, and what are the potential positive or negative impacts of eliminating the owner-occupied retention agreement requirement for loan pools? Subpart D – Homeownership Set-Aside Programs

**Not sure why so many of the questions deal with one aspect of the regulation. Let Banks use discretion**

25. Are there any potential positive and negative impacts of increasing the subsidy limit per household from $15,000 to $22,000, and should the subsidy limit be higher or lower?

**Banks should determine what is appropriate in their District. Increasing subsidy reduces the leverage of the program, serves fewer households.**

 26. Is the proposed use of FHFA’s Housing Price Index to automatically adjust the subsidy limit upward over time appropriate, or are there other housing price adjustment indices that would be preferable and why? Subpart E – Outcome Requirements for Statutory and Regulatory Priorities

**No opinion**

27. Does the proposed outcome requirement of 10 percent of a Bank’s total AHP funds constitute prioritization for the home purchase priority, or should the percentage be higher or lower?

**Lower**

 28. What is the utility of the proposed outcome approach to income targeting, and are the proposed 55 percent threshold, its applicability solely to rental units, and income-targeting at 50 percent of AMI appropriate?

**Outcome approach should not be used, 50% AMI targeting is too low**

29. Is the proposed increase in the minimum threshold from 20 to 50 percent for the number of units reserved for homeless households appropriate?

**Too high**

 30. Is the proposed increase in the minimum threshold from 20 to 50 percent for the number of units in a project reserved for households with a specific special need appropriate?

**Too high**

 31. Is the proposed 50 percent minimum threshold for the number of units in a project reserved for other targeted populations appropriate?
**No Opinion**

 32. Is the proposed 20 percent minimum threshold for the number of units in a project reserved for extremely low-income households appropriate?

**Yes**

33. Do the three proposed regulatory priorities described in proposed § 1291.48 – underserved communities and populations, creating economic opportunities, and affordable housing preservation – constitute significant housing priorities that should be included in the regulation, or should other housing priorities be included?

**The priorities should be set by the District banks in the lending plan and then affirmed by FHFA. A system wide regulatory approach does not provide the flexibility to meet housing needs in the District, a goal this proposed regulation purports to achieve.**

 34. Should the specific housing needs identified under each regulatory priority be included, or are there other specific housing needs that should be included?

**The priorities should be set by the District banks in the lending plan and then affirmed by FHFA. A system wide regulatory approach does not provide the flexibility to meet housing needs in the District, a goal this proposed regulation purports to achieve.**

 35. Do the Banks have sufficient flexibility under the current scoring system to target specific housing needs in their districts, including awarding subsidy to address multiple housing needs in a single AHP funding period?

**The Banks have less flexibility under the proposed regulations than under the existing regulation**

36. Should the current regulatory scoring system be maintained without change?

**The current scoring system is less restrictive than the proposed outcome approach. But a modified scoring system could provide the requested flexibility that the Banks and the AHP Councils have requested.**

 37. Should any of the current mandatory scoring criteria and minimum required point allocations be modified to reflect other specific housing needs?

**See answer to #36**

 38. Should the current Bank First and Second District Priorities be combined and the list of housing needs in the Bank First District Priority eliminated?

**It might be an improvement**

 Subpart F – Monitoring 39. Are the proposed reductions in the Banks’ monitoring requirements reasonable, taking into consideration the risks of noncompliance and the costs of project monitoring?

**Yes they are reasonable and needed**

40. Is data available on the noncompliance rates of projects funded under the PBRA Section 8 Program?

Subpart G – Remedial Actions for Noncompliance 41. Are the facts and circumstances described in proposed § 1291.60 appropriate for consideration by a Bank during reasonable subsidy collection efforts, and are there other factors that should be considered as well?

**No response**