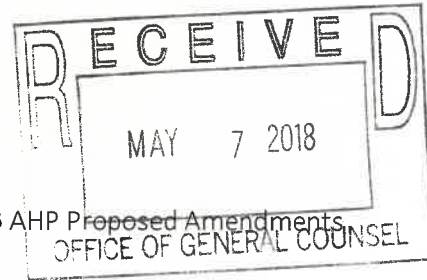


5/1/2018

Alfred M. Pollard
General Counsel
ATTN: Comments/RIN 2590-AA83
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, D.C. 20219



RE: Comments on Proposed Changes to the FHLB AHP Proposed Amendments

Dear Mr. Pollard,

I am writing to express my concern over the proposed changes to the AHP program under the FHLB banking system. Since 1999, we have utilized the AHP program through the FHLB of Pittsburgh to create or preserve 61 units of affordable housing in Northern Delaware.

I have had the good fortune to work in the affordable housing field for 24 years, and have found it is only getting more complicated and difficult to navigate the funding and regulatory world to be successful. There are several of the proposed changes that would make it more difficult for affordable housing developers to be successful utilizing the AHP program. They are as follows:

- Changing the threshold amount for projects qualifying for special needs is too high (increased to 55%) and thus overly restrictive (*Suggest: retain the 20% threshold*)
- Additional documentation required to evaluate the development team adds unnecessary burden to the affordable housing developer (*Suggest: Retain current evaluation process*).
- Addition of 'need for subsidy' and 'project costs' increases the burden, especially where there are other sources that have more stringent qualifications, like FHAs. (*Suggest: Utilize the underwriting of other funders for the qualification process*)
- The change to a national outcomes based framework does not allow flexibility and responsiveness to local conditions, and may hinder efforts to do urban revitalization. (*Suggest: Utilize current scoring system*)
- New "cure first" requirement for approved projects will cause undue burden and time delays. (*Suggest: Retain current practice of verifying scoring and modifications remain within threshold*).

I appreciate your consideration of these concerns and suggestions. The FHLB Bank system's AHP program has been a highly functioning, well run, source of funding to the affordable housing community for over 28 years. In a time when efforts to provide affordable housing are more challenging than ever, it is important that we not add to the challenge through this resource.

Sincerely,



Kevin L. Smith
Chief Executive Officer

CC: Richard J. Gessner, Board President, HFHNC

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