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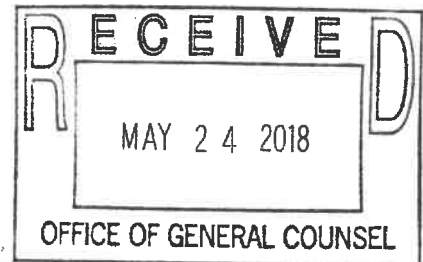
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May 20, 2018

"CONSTRUCTING CHANGE FROM THE GROUND UP"

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

**RE: Notice of Proposed Rulemaking and Request for Comments-
 RIN 2590-AA83 – Affordable Housing Program Amendments**



Mr. Pollard,

Thank you for the opportunity to comment on your recent release of proposed rulemaking regarding the Affordable Housing Program ("AHP") of the Federal Home Loan Banks (FHLBanks). I am presently Director of the Southern Appalachian Labor School (SALS). SALS is a non-profit community-based organization headquartered in Kincaid, WV that has previously sponsored AHP projects through FHLBank in Pittsburgh.

AHP has been a godsend to low and very low income families living in dilapidated coal camp houses in the southern coalfields of West Virginia.

We are concerned with the outcomes framework as proposed in the AHP regulation amendments. The outcomes-based framework prioritizes the Federal Housing Finance Agency's (FHFA's) overall housing preferences for certain project types, lessen AHP's connection to and support for community development, and make AHP less transparent.

Housing sponsor/developers manage multiple layers of capital and operating financing that take years to assemble. Developers must blend AHP into the total financial package while dealing with the complexities of real estate development. This makes it imperative for funding to be streamlined, transparent and operationally efficient as possible. The outcomes-based framework and will allow

Members of the Board are involved with the United Mine Workers of America, Head Start, West Virginia Rainbow Coalition, Black Lung and Disabled Workers Association, West Virginians for Affordable Health Care, West Virginia State Employees, College, University and Labor Education Association, Appalachian Community Partners, New River Safe Housing, Fayette Housing, Community Union Project, West Virginia Environmental Council, Citizens Action Group, SHARE, National Black Lung Association, APPALSHOP, New Page Housing, Fayette Family Resource Network, and Numerous Community Groups.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document focuses on the role of technology in data management and analysis. It discusses how modern software solutions can streamline data collection, storage, and reporting, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that data management practices remain effective and aligned with the organization's goals.

6. The sixth part of the document provides a detailed overview of the data collection process, including the identification of data sources, the design of data collection instruments, and the implementation of data collection procedures.

7. The seventh part of the document discusses the various methods used for data analysis, such as descriptive statistics, inferential statistics, and regression analysis. It explains how these methods are used to interpret the data and draw meaningful conclusions.

8. The eighth part of the document focuses on the presentation of data, including the use of tables, charts, and graphs. It provides guidelines for creating clear and concise reports that effectively communicate the results of the data analysis.

9. The ninth part of the document discusses the importance of data security and privacy. It outlines the measures that should be taken to protect sensitive data from unauthorized access and ensure compliance with relevant regulations.

10. The tenth part of the document provides a summary of the key points discussed in the document. It reiterates the importance of data management and analysis in supporting the organization's strategic objectives.

11. The eleventh part of the document includes a list of references and sources used in the document. This provides readers with the opportunity to explore the topics discussed in more detail and access the original research and data.

12. The twelfth part of the document provides a list of appendices, which contain additional information and data that support the main text of the document. These appendices are provided for reference and to provide a more complete picture of the data and analysis.

13. The thirteenth part of the document includes a list of figures and tables, which are used to present the results of the data analysis in a clear and concise manner. These visual aids help to illustrate the key findings and trends in the data.

14. The fourteenth part of the document provides a list of key terms and definitions, which are used throughout the document. This helps to ensure that all readers have a clear understanding of the terminology used in the document.

FHLBanks to encourage all project types to apply, connect AHP to community development strategies and maintain program transparency.

We also have the following additional concerns about the proposed amendments:

- The proposed amendments change the threshold amount needed for projects to qualify as serving targeted populations from 20 percent to 50 percent. This new threshold is not compatible with other funders and does not recognize the benefit of a mixed occupancy development, which slows developers to cross-subsidize units in a project. We recommend retaining the current 20-percent threshold amount.
- Under the proposed amendments, AHP project modifications may be delayed, and AHP sponsors unduly burdened, due to a new “cure-first” requirement. We recommend that the proposed cure-first requirement be eliminated and the FHLBanks retain their current practice of verifying that any modified project would still have scored high enough in the funding round to receive the AHP award had the sponsor applied for AHP funding with the modifications in place.
- The proposed amendments require FHLBanks to evaluate the ability of the sponsor and all members of the development team to perform the responsibilities committed to in the application. The entire development team may not be in place at the time of AHP application, making it impossible to assess total capacity. We recommend eating the FHLBanks’ current practice of reviewing the prior experience of the development team.
- The proposed amendments eliminate the five-year retention requirement for homeownership projects. Although this is a beneficial change in most instances, it introduces a risk of misuse in the flexibility to address. We recommend allowing FHLBanks the discretion to impose a retention requirement.
- The “need for subsidy” and “project costs” sections of the proposed amendments do not specifically allow for the maximization of coordination with other funding sources. Requiring FHLBank to independently underwrite a project’s need for subsidy and viability is unnecessary and increases the burden on sponsors in cases where other funding sources have already underwritten the project. We recommend allowing FHLBanks to rely on the underwriting of other funders with comparable standards in terms of cost reasonableness, viability of operations, development team capacity and need for subsidy.
- The amendments require rental projects with supportive services to create two operating pro formas: one for housing operations and the other for supportive services. The requirement causes project to arbitrarily separate costs and funding streams. We recommend allowing projects to include supportive services in a project’s operating pro forma.
- We are concerned that many large banks in West Virginia now have their affiliations with FHLBanks that exclude West Virginia in their service area. While entities like us can apply through these banks, scoring points are often lost if the application is from an “outside” area.

We would like applications to avoid penalties and be fairly considered, perhaps based on earnings set-aside by the volume of business the large banks conduct in West Virginia.

We commend FHFA for working to update the AHP regulation. However, in light of the concerns above, we respectfully ask that you reconsider parts of the proposed amendments, especially the required outcomes framework. Thank you for hearing our ideas on this very important subject. If you have any questions, please feel free to contact me at jdavid@citynet.net.

Sincerely,



John P. David, Ph.D/Economics
Director, Southern Appalachian Labor School

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept up-to-date and should be accessible to all relevant parties.

2. The second part of the document outlines the procedures for handling cash and other assets. It is important to ensure that all cash is properly accounted for and that there is a clear separation between personal and business funds. Regular reconciliations should be performed to ensure that the books are balanced.

3. The third part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept up-to-date and should be accessible to all relevant parties.