

May 25, 2018

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

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

Mr. Pollard:

Thank you for the opportunity to provide comments on the Federal Housing Finance Agency's (FHFA) recent notice of proposed rulemaking regarding the Affordable Housing Program (AHP) of the Federal Home Loan Banks (FHLBanks).

Community Investment Corporation (CIC) is a 501(c)(3) not-for-profit corporation, whose mission is to be a leading force in affordable housing and neighborhood revitalization through innovative financing, programs, and policy leadership. Certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI), and a member of the Federal Home Loan Bank of Chicago, CIC is the leading lender for the acquisition, rehabilitation, and preservation of affordable rental housing in the Chicago metropolitan area.

CIC appreciates the FHFA's goal of modernizing the Affordable Housing Program. We are concerned, however, that the proposed rule will limit the ability of FHLBanks to address the specific affordable housing needs in their districts. The proposed rule is highly prescriptive with respect to establishing priorities for allocation of AHP funds. CIC supports simplifying priority areas and providing the FHLBanks (with input from their local advisory councils) with the authority to design their Affordable Housing Programs to address specific affordable housing needs in their districts. This will lead to a more responsive, flexible, and transparent program.

When AHP is used for rental housing, it is most often a relatively small part of a multilayered financial transaction. The AHP makes an important contribution by filling funding gaps in projects that have the bulk of their funding coming from other sources. Given this structure, it is not efficient nor necessary for AHP to establish its own unique affordability and monitoring requirements. We support efforts to make AHP's affordability requirements mirror those of other funders and to delegate compliance monitoring to those other government agencies.

When it comes to the AHP's affordability, monitoring, and compliance requirements, we note that the current approach to affordability and compliance makes the program largely unusable and irrelevant for the 75% of the affordable rental stock that is naturally affordable and is not created or preserved by multilayered government financing programs. We note that in establishing the affordable housing goals for Fannie Mae and Freddie Mac, FHFA has recognized this marketplace reality and has adopted standards that measure only the initial rent levels of properties, not the income of tenants nor long term compliance of any kind. We believe that a similar approach would be appropriate and most welcome for the Affordable Housing Program. Unfortunately, we have been informed that the affordability, monitoring, and compliance requirements are statutory and cannot be changed by regulation.

Thank you for the opportunity to comment on the proposed rule and for FHFA's important role in addressing the need for affordable housing.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Markowski". The signature is fluid and cursive, with a large loop at the beginning and a long tail.

Jack Markowski
President
Community Investment Corporation