

Miami Savings BANK

May 29, 2018 Since 1909

Mr. Alfred M. Pollard

General Counsel

Attn: Comments/RIN 2590-AA83

Federal Housing Finance Agency

400 Seventh Street, SW, Eighth Floor

Washington, DC 20219

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Gentlemen:

As a community banker for 43 years and a member Director of the Federal Home Loan Bank of Cincinnati (FHLBank of Cincinnati), I would like to comment on the Federal Housing Finance Agency's proposed amendments to the Affordable Housing Program (AHP).

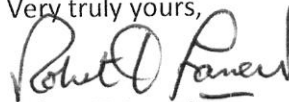
The updated regulations were billed to give the Federal Home Loan Banks (FHLBanks) more flexibility and autonomy in administering their AHPs, as well as make AHP more compatible with other affordable housing programs and more responsive to district housing needs. Instead, the Proposed Rule is more prescriptive than the current regulations and, in some areas, appears to be at odds with general affordable housing trends. For example, the increased requirements related to serving special needs and homeless households, the requirement that the full Board meet with the Affordable Housing Advisory Council and the proposed outcome requirements. Therefore, it would be more desirable to keep the current regulation without changes. Under the current regulation, the FHFA established AHP priorities, which the FHLBanks meet via their scoring criteria. The current regulation is known and has functioned well over the years. Clearly a scoring based approach as in existing Regulations is preferred.

The proposed outcome requirement methodology causes the scoring process to become opaque. This is primarily due to the potential for the FHLBank to re-ranking projects in order to avoid the penalty for failing to meet the prescribe outcome requirement – reimbursement of the AHP Fund. This penalty is unduly severe and I recommend it be removed. The current regulation allows the funding of projects from highest to lowest score until the funds are exhausted. This simple system is preferred.

Finally, the increased burden on FHLBanks is expanded significantly under the proposed Targeted Community Lending Plans and accompanying development of Housing Plans, which will be expensive and require significant staff resources to develop as well as increased governance by the Board of Directors. As a member of the Housing and Community Development Committee (Housing Committee) of the FHLB of Cincinnati, I clearly see no benefit for this additional attention. Our Housing Committee functions well with the Advisory Council and we work to meet the AHP needs in our district.

The bottom-line is the system and AHP would be best served without any changes.

Very truly yours,



Robert T. Lameier
President & CEO

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