



*Building homes in partnership with God's people in need*

May 30, 2018

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Alfred M. Pollard- General Counsel  
Attention: Comments RIN 2590-AA83  
FHFA  
400 Seventh St. SW Eight Floor  
Washington DC 20219

Dear Mr. Pollard,

Thank you very much for the extended comment period on the recent proposed rulemaking changes regarding the FHLB's AHP program. I am the executive director of Kentucky Habitat for Humanity, Inc. (KyHFH) state organization. My office works with 40 Habitat affiliates across the Commonwealth of Kentucky to provide simple, decent and affordable housing for low income Kentucky adults and children who typically earn 60% and below the area median income in the affiliates service area. Since I became ED of KyHFH, the FHLB of Cincinnati has been one of our strongest and most consistent partners in creating affordable housing for 1<sup>st</sup> time homeowners in Kentucky. A typical round of AHP funding can be as much as \$2.5M for the creation of simple, decent, energy efficient and affordable housing. With subsidy on average of \$25,000 per unit, the FHLB AHP program makes homeownership a reality for a family of 4 who earn \$25,000 annually. Without the AHP program this would not and could not happen.

Our Cincinnati bank is made up of wonderful people who work hard to support us in Kentucky. They get to know our affiliates, fund our projects, volunteer on the worksites and are proud to attend and celebrate a new homeowner dedication once the project is completed. With other typical funding sources being severely cut over the years, the AHP program is even more important in serving low income Kentuckians and creating affordable housing. This is why we are asking the FHFA to retain the AHP program in its current form. The AHP is working. It is serving the most at risk and underserved Kentuckians like no other program can. The scoring system is fair and equitable as it now stands.

If changes are being considered, here are our concerns;

1. Targeted populations- the proposed changes from a threshold of 20% to 50% is extreme and will be very hard for non-profit homeownership developers to meet. The current threshold is working. Many of our Habitat affiliates are meeting the current 20% targeted population threshold and can also serve other at-risk populations as well within their AHP application, i.e. extremely low to low income households who have no special needs and or are not homeless.
2. Re-Ranking of applications- this proposed change, in KyHFH's opinion can be perceived as being very unfair and biased. In reality, all of the clients that Habitat serves are at-risk and underserved, regardless of whether an application has a

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homeless or special needs person in it. Whether the housing will be located in a rural or urban area. There is a severe lack of affordable housing throughout the U.S. currently. The FHFA needs to leave the latitude and decision making to the FHLB's serving their specific areas. They know the needs and can best address them without having further regulations put upon them.

3. Removing the 5- year retention language is a mistake. This must be kept in place. Simple, decent, affordable and energy efficient housing must be kept that way, serving those who are most at risk and underserved. Even if 'flipping' so to speak has not been an issue in the AHP program, KyHFH's opinion is that is because the retention language has been in place and has stopped the opportunity to do so.
4. The proposed rulemaking changes will put undue and excessive burdens on the FHLB staff, who review the online applications, look through the thousands of 'hard copy' documents and take care of the modifications and disbursements.

Since 2006, when KyHFH began assisting and partnering with our Habitat affiliates on the AHP grantmaking process, we have been able to secure and bring in just over \$10M additional dollars for affordable housing throughout Kentucky. KyHFH has worked with the families and seen the deplorable conditions they have lived in. Conditions that lacked basic utilities, such as running water and heat/cool. Floors, windows and doors have had such large gaps in them that animals have been able to get into a home and create a very unsafe and unhealthy environment. With a lack of heat in the winter, I have seen families burn wood indoors in an old rusted metal drum. I have seen what an old and unsafe roof can do to make a home unlivable when creating black mold on walls and floors.

Yet, with AHP subsidy, these same low-income families have achieved a dream they never thought they could. A simple, decent, affordable, energy efficient, healthy and safe home for themselves and their children. A home with AHP subsidy is a home that costs these same families no more than 30% of their annual income on housing costs. They can then afford food, medicine, gas and other daily items without having to choose.

To date, Habitat affiliates in Kentucky have built, rehabbed and repaired over 3,000 homes for low income Kentuckians. The AHP has been a huge part of that success. Families that have nowhere else to turn for decent affordable housing can turn to Habitat and our FHLB partners. Please do not risk the great work that will be done by making changes that will tie the hands of our FHLB of Cincinnati when they have had such great success in serving affordable housing organizations in Kentucky, Ohio and Tennessee. The program is working and serving! Let's keep it that way!

Thank you for the opportunity to respond on behalf of our 40 Habitat affiliates, their 3,000+ homeowners and the tens of thousands of volunteers who serve our organizations and our families.

Sincerely

Mary Shearer  
Executive Director