



May 30, 2018

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, DC 20219

Attention: Comments/RIN 2590-AA83

Dear Mr. Pollard:

Thank you for the opportunity to comment on the proposed changes in the rules governing FHLB's Affordable Housing Program (AHP). We see no need to change the AHP scoring model. Although there is the implication that the proposed *outcome framework* would create more flexibility for FHLBanks, it actually reduces the degree of flexibility and, I fear, would result in an extremely structured uniform AHP program. By controlling at least 65 percent of the entire year's AHP contribution, the proposed requirements will narrow the types of AHP projects. We would much prefer that FHLBanks would be granted more flexibility for allocating points to respond to the needs within their districts.

We find the proposed *outcome framework* very confusing and rife with potential problems. Because of proposed need for projects to compete within the three categories, the process for selecting competitive projects would be far more complex and far less transparent. Competition for AHP funding has always been fierce with scores often being extremely close. We would be EXTREMELY upset if our project lost out to a lower scoring project simply to meet the outcome requirements.

FHLB DesMoines has always provided meaningful technical assistance to us but the potential for re-ranking applications makes TA almost impossible. Again, we would much prefer that the current AHP scoring model be maintained rather than requiring certain types of projects. We recommend eliminating the proposed *outcome framework*, thereby eliminating the potential for having to re-rank applications.

Because we are concerned that a regulatory change to establish a set of national regulatory outcomes for AHP would be set in stone and therefore would not allow FHLBanks the flexibility they need to be adaptable to changing affordable housing needs within their districts, we prefer that the current scoring methodology be maintained. This would continue to allow the FHLBanks to amend district priorities as needed.

Although the proposed rule offers relief for how the need for AHP subsidy is evaluated when a project receives federal rental assistance (such as HUD 202 and 811) which includes funds for supportive services that cannot be bifurcated, it does not offer the same relief for projects that do not fit this circumstance. Without comparable relief, it would be utterly impossible for WRC to be competitive for FHLB AHP funding if our projects had to rely on the project's cash flow to fund supportive services. Because of the homeless populations we serve, the rents we can charge are extremely low. Furthermore, because of the serious needs of our homeless residents, it is essential that we provide case management and other supportive services. The combination of extremely low cash flow and high need for services would keep our projects out of the running for AHP funding unless granted the same relief as those projects receiving federal rental assistance. Again, we would prefer that FHLBanks be allowed to evaluate each projects circumstances to determine whether there is a need for subsidy.

We feel the proposed rule requires unnecessary administrative burdens by requiring projects to pursue a cure for noncompliance before requesting a modification to the terms of their contract with FHLB. As it stands, FHLBanks have the flexibility to evaluate all the facts and circumstances of each project to make a determination about modifications. We do not feel it is reasonable for sponsors to have to demonstrate that all members of the development team satisfy FHLB's sponsor capacity requirements.

Sincerely,



Jane Provo
Deputy Director