



NeighborWorks®
Western Pennsylvania

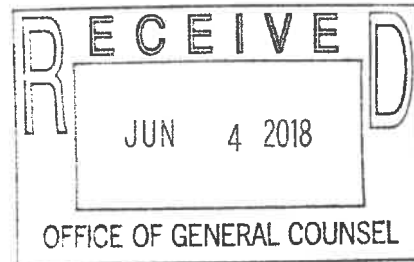
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May 29, 2018

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 Chief Executive Officer of NeighborWorks Western Pennsylvania (NWWPA). NeighborWorks Western Pennsylvania is a nonprofit organization headquartered in Pittsburgh, Pennsylvania that partners with FHLBank Pittsburgh to support affordable housing development throughout our region.

At NWWPA, our mission is to promote stable, vibrant communities by providing our Neighbors with comprehensive financial empowerment and homeownership services. We focus on the “people” component of community development, helping low-moderate income residents prepare for and maintain homeownership, often in AHP-supported projects. Our organization provides the necessary empowerment services for residents who benefit from the AHP.

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 goals. The unintended consequence of this approach is that the proposed outcomes establish preferences for certain project types, lessen AHP’s connection to and support for community development, and make AHP less transparent.

AHP is a critical source of funds for housing development and should support the projects needed in local communities through a clear and understandable process. The outcomes framework as proposed in the amendments introduces a complex award structure that makes the AHP process unclear and makes AHP a less-attractive funding resource. A scoring-based system, which has worked well for 28 years, is strongly

preferred over an outcomes-based framework and will allow FHLBanks to encourage all project types to apply, connect AHP to community development strategies and maintain program transparency.

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 ckelley@nwwpa.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Colin Kelley', written in a cursive style.

Colin Kelley
Chief Executive Officer