

ICBA

INDEPENDENT COMMUNITY BANKERS ASSOCIATION OF NEW MEXICO

NEW MEXICO

June 5, 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

Dear 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 writing on behalf of the member banks of the Independent Community Bankers Association of New Mexico. Many of our members support affordable housing projects that receive Affordable Housing Program (AHP) gap financing, therefore we are especially interested in the Federal Housing Finance Agency’s (FHFA’s) proposed changes to the AHP regulations administered by the Federal Home Loan Bank of Dallas.

We are aware that over the last 5 years the Federal Home Loan Bank of Dallas has provided \$3,647,360 in AHP funds used for new and rehabilitated housing for residents in New Mexico.

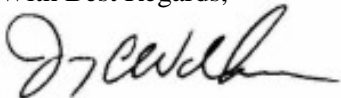
Our community bankers are concerned with the outcomes framework as proposed in the AHP regulation amendments that do not provide more flexibility in scoring methodologies for AHP funds. The unintended consequence of this approach is that the proposed outcomes further restrict FHLBank discretion in addressing local housing needs, establish preferences for certain project types and make AHP less transparent.

AHP is a critical source of funds for housing development and should be flexible enough to 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 scoring process unclear and makes AHP a less-attractive funding resource. A scoring-based system is strongly preferred over an outcomes-based framework and will allow FHLBanks to sufficiently respond to local needs, encourage all project types to apply and maintain program transparency.

While we commend the FHFA for working to update the AHP regulation, due to the concerns above, we respectfully ask that you reconsider parts of the proposed rule, especially the required outcomes framework.

Thank you for considering our comments on this very important subject. If you have any questions, please feel free to contact me at 505-327-2151 or via email – jerry.walker@icbanm.org.

With Best Regards,



Jerry C. Walker
President & CEO