



Bringing volunteers and communities together to improve the homes and lives of low-income homeowners.

June 6, 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 proposed rulemaking regarding the Affordable Housing Program (“AHP”) of the Federal Home Loan Banks (FHLBanks). I am Executive Director of Rebuilding Together Philadelphia (“RTP”), a nonprofit utilizing AHP funding from FHLBank Pittsburgh in order to preserve affordable housing. With AHP funding over the past three years, RTP has rehabilitated 78 owner-occupied homes, allowing low-income homeowners to live in safe, healthy and energy-efficient homes.

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 make AHP less transparent. As proposed, the outcomes framework is a complex award structure that makes the AHP process unclear. 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 local community needs, and maintain program transparency.

We also have the following additional concerns about the proposed amendments:

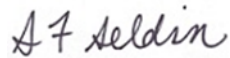
- The proposed amendments change the threshold amount needed for projects to qualify as serving targeted populations from 20 percent to 50 percent. This new threshold is not compatible with our program model. RTP uses a Block Build strategy, repairing clustered houses in a targeted neighborhood to make the greatest impact. No cluster of homes would meet the 50% threshold. We urge retaining the current 20-percent threshold amount.
- Under the proposed amendments, AHP project modifications may be delayed, and AHP sponsors unduly burdened, due to a new “cure-first” requirement. We recommend that the proposed cure-first requirement be eliminated and the FHLBanks retain their current practice of verifying that any modified project would still have scored high enough in the

funding round to receive the AHP award had the sponsor applied for AHP funding with the modifications in place.

- The proposed amendments require FHLBanks to evaluate the ability of the sponsor and all members of the development team to perform the responsibilities committed to in the application. The entire development team may not be in place at the time of AHP application, making it impossible to assess total capacity. We recommend retaining the FHLBanks' current practice of reviewing the prior experience of the development team.
- The proposed amendments eliminate the five-year retention requirement for homeownership projects, which are the type of project that RTP executes. We heartily support this change in most instances, as the paperwork burden is enormous and costly. However, there is a risk of misuse in certain situations when the AHP per-unit amount is relatively high. We recommend allowing FHLBanks the discretion to impose a retention requirement when any investment exceeds \$25,000, adjusted by inflation every year.

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 215-966-1134 or sfseldin@rebuildingphilly.org.

Very truly yours,



Stefanie Seldin
Executive Director