



June 7, 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 the Director of Government Relations of the Louisiana Bankers Association. A number of our members support affordable housing projects that receive Affordable Housing Program (AHP) gap financing, therefore LBA is 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 concerned with the outcomes framework as proposed in the AHP regulation amendments. We would like to see the proposed amendments provide FHLBanks with more flexibility in their scoring methodologies to allow AHP to adapt to the changing landscape of housing needs in local districts. However, we are told the proposed amendments introduce an outcomes-based framework for awarding AHP funds that prioritizes the Federal Housing Finance Agency’s (FHFA’s) overall housing goals. 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. We are told that 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.

We commend FHFA for working to update the AHP regulation. However, due to the concerns above, we respectfully ask that you reconsider parts of the proposed rule, 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 (225) 214-4837 or gendron@lba.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe", with a stylized flourish at the end.

Joe Gendron
Director of Government Relations.
Louisiana Bankers Association
5555 Bankers Avenue
Baton Rouge, LA 70808