

June 11, 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 the recent release of proposed rulemaking changes of the Affordable Housing Program (“AHP”) of the Federal Home Loan Banks (FHLBanks). . I chaired the Affordable Housing Advisory Council of the FHLB I several years ago, and was a representative for them at a FHFA conference in Washington DC approximately 10 years ago.

I am a retired Non-Profit Executive with 15 years of experience working with the FHLB AHP grants. I have a small consulting business helping other non-profits gain gap funding for their homeless and/or permanent supportive housing rental projects. Over the years I have successfully obtained FHLB I gap funding of over \$6 Million for more than a dozen projects. One thing I have experienced is that no project will ever fit into a cookie cutter approach; each has unique circumstances to consider. In fact, that is the benefit with working closely with local FHLB I staff, the Bank’s Affordable Housing Council, and member banks. All of these know the state issues and needs better than many other funders. They are able to craft their district scoring criteria around local issues and concerns. Please don’t create federal restrictions on the ability of local Federal Home Loan Banks, and member banks, to craft unique approaches to help many special populations get the housing help they need.

Almost all the projects I have assisted have been special needs projects, and special needs with extremely low incomes. It has become satisfying to see previously homeless families and individuals with disabilities be able to live in a comfortable, affordable, and accessible setting.

In addition to my personal feelings of the worth of the present set-up for FHLB functions, let me offer a couple of specific comments:

- 1) All of the projects I have been involved with have been small organizations who rely on fundraising as a primary source of development funds. The predictability of the AHP program with its easily understood fixed scoring approach is easiest for these small non-profits. I feel by overly complicating the scoring into an outcomes approach threatens this predictability and ability to gain an award. Thus, I would ask you to retain some component of the existing scoring framework in the proposed rule since it will enable more projects that need this gap funding be successful.
- 2) During the past several years, I have been involved with shelter type projects—domestic violence shelter or family emergency housing shelters—and these are difficult for the sponsoring



organization to gather household income documentation. Serving a transient population makes it difficult to come up with all the long term monitoring income documentation requirements. While it may be important to retain some of the income and special need documentation for the initial admissions—to allow the sponsor time and experience in knowing what to look for, and document—it makes sense to eliminate some of the longer-term income and special need documentation as the sponsor gains more experience.

- 3) I am concerned about the impact the change in the modification rule may have on a project. My experience has found with small projects coming from small organizations that the ability to exactly predict cost and all the final components of a proposed project are difficult. Sometimes a change must be made after initial approval, and the modification policy is a tool that enables all parties to resolve a non-compliant or difficult issue. Developers have to have the flexibility to know if a scoring element can be modified rather than having to make dishonest attempts to cure an unresolvable issue—without a modification.

Harold Mast Consulting is thankful the FHFA is looking to improve and modernize the AHP program. We have used that program numerous times, and continue to help small organizations use this avenue of funding for their projects. Please be careful as you make changes to maintain a transparent, easily understood guideline that encourages locally influenced quality, sustainable, and affordable housing.

Thank you for considering these comments.

Sincerely,

A handwritten signature in cursive script that reads "Harold Mast". The signature is written in black ink and has a long, sweeping horizontal line extending to the right from the end of the name.

Harold J. Mast, President
Harold Mast Consulting