



Alfred M. Pollard
General Counsel
Attn: Comments/RIN 2590—AA83
Federal Housing Finance Agency
400 Seventh St. SW, Eighth Floor
Washington, D.C. 20219

RE: Comments on Proposed Amendments to Regulation on FHLB AHP

Dear Mr. Pollard,

Thank you for the opportunity to comment on proposed rules regarding the Affordable Housing Program (AHP) of the FHLBanks. At Twin Cities Habitat for Humanity, our mission is to eliminate poverty housing from the Twin Cities metro region of Minnesota and to make decent, affordable shelter for all people a matter of conscience. The FHLB of Des Moines (FHLBDM) has played a key role in working towards this mission. Since 2015, AHP funds have helped finance 50+ units of affordable housing throughout the seven counties we serve.

AHP funds fill pressing affordability gaps for Habitat homebuyers. However, we are concerned that several of the proposed changes would limit the availability and utility of AHP funds. More specifically, we are concerned with:

- The proposed increase in the minimum threshold from 20 to 50 percent for the number of units in a project reserved for households with a specific special need. We feel a threshold of 50% is too high. In any given year, TC Habitat serves 7-10 special needs households—usually 20-30% of the Habitat-developed homes we sell to qualified families. As such, the proposed threshold increase would prevent AHP funds from being used on all units of our annual scattered site projects. We suggest that FHFA keep the special needs threshold at 20%.
- The proposed 50 percent minimum threshold for the number of units in a project reserved for other targeted populations. Although TC Habitat already serves large families and multigenerational households, we feel the threshold of 50% is too high. While the typical Habitat family size is 5-6 people, our scattered site projects do not target multigenerational households and large families specifically. TC Habitat would struggle to meet this scoring criteria, as would other Habitat affiliates and nonprofit housing developers. We suggest that FHFA reduce the other targeted

populations threshold to 20% or expand the definition of special needs to include other targeted populations.

- The proposal to allow FHLBanks to 're-rank' applications to meet FHFA outcome requirements. We are concerned this change will make the competitive scoring process less transparent. Every year, we rely on pre-application feedback from FHLBDM to shape our scattered site proposals. If applications can be 're-ranked' to meet FHFA outcome requirements, then FHLBDM feedback will become useless. We suggest that FHFA retain the current AHP scoring system so that highest-scoring proposals are awarded funds.
- The proposal to evaluate the entire development team, not just the project sponsor. We are concerned this change will add unnecessary administrative burden, especially for sponsor organizations with a solid track record of AHP-funded projects. FHLBDM is already familiar with Habitat and its development team. Since 2015, TC Habitat has applied for AHP funds every year and completed 50+ AHP-funded homes. We suggest that FHFA retain the current practice of evaluating the project sponsor, not including affiliates and team members.

Thank you for taking the time to thoroughly review AHP. We hope our comments will be considered when finalizing the proposed rules. AHP provides key gap financing for our projects and we hope it will continue to do so for years to come.

Please do not hesitate to contact me with questions at chad.bouley@tchabitat.org or 612-305-7144.

Sincerely,



Chad Bouley
VP of Homebuilding