

Voice: 517.485.3588  
Online: [cedamichigan.org](http://cedamichigan.org)

1118 South Washington Avenue  
Lansing, Michigan 48910-1647



June 11, 2018

Federal Housing Finance Agency  
400 Seventh Street SW  
Washington, D.C. 20219

Re: Community Support Requirements; Federal Home Loan Banks' Affordable Housing Program

To Whom It May Concern:

On behalf of the Community Economic Development Association of Michigan (CEDAM) and its more than 250 members representing thousands of people across the state of Michigan, please accept the following comments in regard to the Notice of Proposed Rulemaking (NPR) regarding the Federal Home Loan Bank System's Affordable Housing Program (AHP) that was published in the Federal Register. A number of CEDAM current and former staff and members have served on the Affordable Housing Advisory Council, including being its chair. We often partner with our FHLBs, most often with the FHLB Indianapolis, and see AHP as an incredible resource for our field.

First and foremost, we appreciate that you are taking on a refresh in regard to AHP. CEDAM and its members across Michigan, as well as our colleagues across the country have been anxiously awaiting a refresh to better align AHP with other funding sources and to allow greater flexibility.

While CEDAM greatly appreciates the opportunity to provide feedback, its members have several large concerns with the FHFA's proposed rules regarding AHP. Overall, we firmly believe that in order for AHP to be more successful and align with other funding sources, it must be more flexible. While the FHFA achieved additional flexibility in a few key areas, in many areas, it failed. The FHLBs must be extremely flexible so that the funding can easily flow over state lines. Locals must be allowed to take control and guide how and when resources are used in order to make best use of ever-dwindling resources. At the core of the proposed rules, we ask that the FHFA keep this in mind.

First, we do not believe that the Advisory Councils should be required to meet with the board on a quarterly basis. Many board members do not have the necessary background to understand the policy discussions that the Advisory Council may have and forcing them to meet quarterly with the Advisory Council will be a waste of both their time, as well as the Advisory Council's time. Rather than the board, the relevant staff should meet quarterly with the Advisory Council in order to save significant time and resources that could then be applied to AHP projects and put into communities. In addition, QAPs change every two years in states. Board members are not likely to be up-to-date with the requirements of every QAP in the states in which they are working when they change so rapidly. However, it is likely that staff will be. This also necessitates the need for additional flexibility.

In keeping with the theme of flexibility, we ask that you not require targeting in any manner, which immediately decreases flexibility. Rather, we suggest allowing local banks to best determine their community's needs. Currently, with the National Housing Trust Fund, states are required to do deep targeting, which makes the funds extremely difficult to use. While we recognize that you would like to serve those most in need, the targeting actually poses more difficulties to get resources to those

most in need. Because of this, we ask that you allow each FHLB to determine how to best make use of their resources.

The proposed rule will also potentially require banks to re-rank projects in order to achieve the proposed requirements as opposed to awarding grants to the projects that score the highest. This is completely contrary to the goal of transparency and will discourage organizations from applying for AHP.

We also believe that the way the proposed rule is written, it will inadvertently favor certain projects and leave out projects that many FHLB members are actually targeting including rural and urban mixed-income or properties that are adaptive reuse, including former schools or blighted properties – which are abundant in Michigan.

We thank you for recognizing other partners who have a larger stake financing affordable housing projects and that they should be allowed to take on the compliance, as opposed to FHLBs. We appreciate this flexibility and believe this will allow for more collaboration and applications in the future.

Again, we appreciate your willingness to create larger flexibility for AHP across the country and thank you for taking our comments into consideration. Please don't hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'JS', with a long horizontal flourish extending to the right.

Jamie Schriner  
Executive Director