

June 11, 2018

Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency  
400 Seventh Street, SW  
Washington, DC 20219

Dear Mr. Pollard,

An associate with the Federal Home Loan Bank of Des Moines Advisory Council asked me to review the drafted changes to the Affordable Housing Program regulations. The proposed amendments to the regulation offer some benefits, but also pose a number of challenges for developers and housing providers.

Our firm, Brown-Kortkamp Realty, founded in 1960, has always made it a mission to expose and promote programs and resources that help to make the American Dream of homeownership a reality. To accomplish this effort we have collaborated with many agencies across the state of Missouri and into Illinois. Our firm has fulfilled contracts with institutional clients such as HUD, Wells Fargo, Bank of America, Freddie Mac, Fannie Mae, MoDOT, IDOT, St. Louis Development Corporation (SLDC) and Lambert St. Louis International Airport. We also have relationships with local members of the FHLB of Des Moines, Midwest BankCentre and Stifel Bank & Trust, that offer home ownership subsidies to qualified low to moderate-income buyers. Additionally, I serve on Reliance Bank's City Region's Advisory Board that reviews and makes recommendations on the allocation of bank funding to advance lending in underserved communities. I fear that the proposed changes would further hinder the implementation of much needed lending tools in these disenfranchised neighborhoods.

Your proposed changes to the current guidelines for administering AHP funds increases the complexity of the program and limits the Federal Home Loan Banks' ability to respond to local affordable housing needs. Some criteria put developers in a "Catch 22" as it relates to earning profit and balancing targeted rental income. It also appears that priorities could shift too soon for builders to adjust projects and could leave many with gaps in financing or challenged to address a criterion that was not initially a priority.

Missouri recently lost its State LIHTC, low-income housing tax credit program. This creates a major threat to the development of low-mod rental units that the City of St. Louis desperately needs. Your proposed changes to the AHP program deal another blow to the development of affordable housing in Missouri and across the nation.

I urge you to retain the current guidelines for Federal Home Loan Banks. Keep the reporting criteria simple, and allow regional members to determine the needs of their constituents and member communities.

Thank you for your consideration in this matter.

Sincerely,

Gail Brown  
President, Brown-Kortkamp Real Estate &  
Urban Planning and Development Corporation

cc: Congressman William "Lacy" Clay