June 12, 2018

Alfred M. Pollard, General Counsel

Attention: Comments/RIN 2590-AA83

Federal Housing Finance Agency

400 Seventh Street, SW, Eighth Floor

Washington, DC 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 presently the Executive Director of Regional Housing Legal Services (RHLS). RHLS is a legal services program headquartered in Glenside, PA, that partners with FHLBanks Pittsburgh to support affordable housing development throughout our region.

For a number of years I was a member of the Federal Home Loan Bank of Pittsburgh’s Affordable Housing Advisory Council, and I came to appreciate the great job they do in making the AHP program responsive to local needs.

We are concerned with the outcomes framework as proposed in the AHP regulations amendments. The outcomes-based framework prioritizes the Federal Housing Finance Agency’s (FHFA’s) overall housing goals. The unintended consequences of this approach is that the proposed outcomes establish preferences for certain project types, lessen AHP’s connection to and support for community development, and make AHP less transparent.

AHP is a critical sources of funds for housing development and should support the projects needed in local communities through a clear and understandable process. The outcomes framework as proposed in the amendments introduces a complex award structure that makes the AHP process unclear and makes AHP a less-attractive funding resource. A scoring-based system, which has worked well for 28 years, is strongly preferred over an outcomes-based framework and will allow FHLBanks to encourage all project types to apply, connect AHP to community development strategies and maintain program transparency.

As to another matter addressed in the proposed rulemaking, I would suggest that on matters related to LIHTC and LIHTC compliance for AHP, that you reach out to the National Council of State Housing Agencies and State Allocation Agencies, to look for non-duplicative approaches to assuring compliance.

We commend FHFA for working to update the AHP regulation. However, in light of the concerns above, we respectfully ask that you reconsider parts of the proposed amendments, 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 215-572-7300.

Sincerely,

Mark Schwartz

Regional Housing Legal Services

2 South Easton Road

Glenside, PA 19038