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June 12, 2018

Federal Housing Finance Agency  
Office of Housing and Regulatory Policy  
400 7th Street, SW  
Washington, DC 20219

Re: Proposed Rulemaking and Request for Comments: Affordable Housing Program Amendments (RIN 2590-AA83)

To Whom It May Concern:

On behalf of America's Credit Unions, we offer the following comments to the Proposed Rulemaking by the Federal Housing Finance Agency (FHFA) with amendments to the Affordable Housing Program (AHP). The Credit Union National Association (CUNA) represents America's credit unions and their 110 million members.

Credit union participation in the competitive program of the AHP has been limited historically, due to the scale and scope of the projects involved. However, many credit unions do participate in the various homeownership set-aside programs available through their Federal Home Loan Banks (FHLBs). CUNA therefore welcomes proposed changes that would permit the FHLBs to increase their allocations to the set-aside program, from 35 to 40 percent, as well as the proposal to increase the amount of each grant from \$15,000 to \$22,000 per household with annual adjustment. We respectfully encourage you to codify these positive changes.

On the other hand, we share concerns raised by the FHLBs that moving away from an incentive- or scoring-based methodology and towards an outcome-based model for the AHP overall could prove punitive, and ultimately inhibit allocation to the set-aside programs. Rather than increasing flexibility for the FHLBs to serve their member institutions, the highly prescriptive nature of the outcome-based framework proposed by the FHFA could lead to fewer, not more, opportunities for credit unions to participate in the AHP.

Instead, we would echo the recommendation of the FHLBs that the FHFA adopt a modified scoring-based methodology for determining compliance with AHP guidelines, which would ensure maximum flexibility while still promoting the overall objectives of the AHP. We would also recommend the FHFA grant discretion to the FHLBs to require or not require retention mechanisms for AHP programs, as appropriate given market conditions or structural considerations at each individual FHLB.

Ultimately, the AHP is a way for FHLBs to give back to the communities in which they operate, and historically FHLBs have proven very capable of successfully managing their individual programs under a transparent scoring system. Rather than burden the FHLBs with additional layers of prescriptiveness and complexity, at a cost of flexibility and usability, we recommend the FHFA eliminate the proposed outcome-based framework in favor of a scoring methodology that will allow the FHFA to advance its policy objectives while promoting ease-of-use and flexibility for the FHLBs and their member institutions.

Sincerely,

Robert Henson  
Director of Advocacy