

June 12, 2018

Alfred M. Pollard  
General Counsel  
Federal Housing Finance Agency  
400 Seventh Street SW  
Washington, DC 20219  
Attention: Comments/RIN 2590-AA83

*Re: Notice of Proposed Rulemaking – Affordable Housing Program*

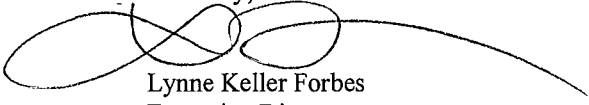
I am writing to you regarding my concerns with the Federal Housing Finance Agency's proposal to amend regulations governing the Federal Home Loan Banks' Affordable Housing Program (AHP). I serve as the Executive Director of the South Eastern Development Foundation which is a non-profit that develops affordable single-family housing. I have also served on the Affordable Housing Advisory Council (AHAC) for the Federal Home Loan Bank of Des Moines (FHLBDM) as a South Dakota representative for over four years. AHAC is comprised of numerous practitioners that have vast amounts of experience in developing affordable housing. The proposed regulation effectually eliminates any meaningful input from the AHAC and in effect makes the AHAC superfluous.

The FHLBDM is a large and diverse region. The existing AHP program works and has been working well for many years as all data shows. The goal of AHP is to promote affordable housing. The AHP program does this by providing gap financing. AHP is often the last source of funding in a project and also provides the least amount of funding in the funding package.

Several years ago, FHLBDM supported making changes to AHP that would make it a better program. Instead, the proposed revised regulation makes AHP more onerous and less flexible. For example, each region currently decides on its funding criteria to meet the needs of its region. The implementation of the outcomes framework eliminates that flexibility. I believe implementation of the framework will also come at the expense of providing home ownership opportunities. While addressing homelessness and special needs are a high priority for many urban areas in FHLBDM's region, that is not the need in South Dakota. South Dakota needs affordable homeownership opportunities. There has to be a balance between national and regional needs which is what the current regulation allows for, and the revised regulation does not.

While I appreciate the time and effort that has been spent thus far on the proposed regulation, I believe the AHP program would be far better served to continue to operate under the existing regulation than to adopt the proposed regulation. I urge you not to lose sight of the goal of AHP which is to provide affordable housing. That goal will be negatively impacted if the proposed regulation is adopted in its current form. Thank you for providing me with an opportunity to comment. Feel free to contact me with any questions.

Sincerely,



Lynne Keller Forbes  
Executive Director

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