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June 12, 2018

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

Re: Proposed Affordable Housing Program Amendments
RIN 2590-AA83

Dear Mr. Pollard:

Chelsea State Bank (CSB) appreciates the opportunity to comment on the FHFA's proposed rulemaking regarding the Affordable Housing Program ("AHP") of the Federal Home Loan Banks (FHLB). I am a commercial lender for the bank: our main office is located 60-miles west of downtown Detroit, Michigan.

CSB is a comparatively new participant in the Federal Home Loan Bank of Indianapolis' AHP having successfully sponsored six projects that received \$2.30MM in grant proceeds and assisted in creating and/or maintaining 220 affordable multi-family housing units in Ann Arbor and Chelsea. That AHP participation allowed our project sponsors to leverage from the bank \$9.47MM in bank provided construction financing since 2011.

As administered today the AHP allows our home loan bank to focus on local affordable housing priorities using a transparent, tailored and easily understood scoring program allowing projects to move forward with dispatch. The overly complex proposed outcomes framework with potentially multiple conflicting evaluation regimes would supersede locally focused scoring criteria, slow the process, and make it more difficult to achieve community goals.

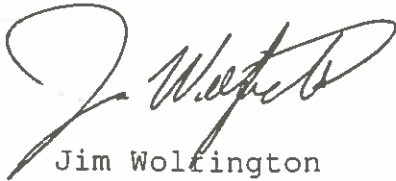
The suggested cure for noncompliance rule mandating that before the FHLB may approve a project modification request the project must first attempt and fail to cure its nonconformity simply makes it more difficult for a project to move forward. The local home loan bank should be provided with the discretion to cure a problem pursuant to its implementation plan.

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The amendments presentation posits that AHP home ownership program grants are minor in comparison to total home construction or rehabilitation costs and that subsidy repayment might prove a hardship to the homeowner. It makes the overly broad contention that low and moderately priced homes purchased with AHP assistance are not likely to be in neighborhoods apt to experience rapidly appreciating housing prices. Therefore, those homes would be less subject to flipping but those contentions may or may not be accurate. Some retention period must be included in any program amendments to ensure good AHP subsidy use and to discourage misuse and predatory practices.

Thank you for your consideration of these concerns. Please revise the proposed rules, particularly the required outcomes framework, prior to finalizing the regulations. Should you desire to do so I encourage you to contact me at (734) 385-1131 or at jwolfington@csbonline.com.

With best regards,

A handwritten signature in black ink, appearing to read "Jim Wolfington". The signature is stylized and cursive.

Jim Wolfington
Vice President

cc: John Mann, CEO, Chelsea State Bank .

JLW/