



June 12, 2018

Alfred M. Pollard
General Counsel
Attn: Comments/RIN 2590-AA83
Federal Housing Finance Agency
400 Seventh Street, SW., Eighth Floor
Washington, D.C. 20219

Re: Affordable Housing Program Amendments

Dear Mr. Pollard,

The National Coalition for Asian Pacific American Community Development (National CAPACD) submits the following comments in response to Federal Housing Finance Agency's (FHFA) proposed amendments to its regulation on the Federal Home Loan Banks' (Banks) Affordable Housing Program (AHP).

National CAPACD is a progressive coalition of local organizations that advocate for and organize in low-income Asian American and Pacific Islander (AAPI) communities and neighborhoods. We strengthen and mobilize our members to build power nationally and further our vision of economic and social justice for all. We are comprised of more than 100 community-based organizations, including housing counseling agencies, community development corporations, preservation agencies, community-based social service providers, and advocacy agencies. Our members are in 21 states and the Pacific Islands, implementing innovative affordable housing, community development and community organizing strategies to improve the quality of life of low-income AAPI communities. We also have members who are representatives of FHLB Advisory Councils.

The AAPI community is the fastest growing racial group in the country, as well as the fastest growing poverty population. In 2014, the number of AAPIs living below the federal poverty line was over 2.16 million, with the rate of increase over the past five years that was greater than any other major racial or ethnic group. Therefore, we thank the FHFA for affirming its commitment to low-income homebuyers and renters through the AHP. In

reviewing the AHP proposed amendments, National CAPACD would like to flag a few areas of concern:

- **One-Third First-Time Homebuyer Allocation Requirement**

The proposed amendments revises the current one-third set aside funding allocation requirement to include not only first-time homebuyers, but also owner-occupied rehabilitation. National CAPACD opposes this change because resources for low-and-moderate-income (LMI) first-time homebuyers are scarce, while alternative sources funding exist for rehabilitation. Having an owner-occupied requirement is crucial because it ensures that developers do not benefit from programs and resources that are meant for LMI homebuyers.

- **Five-Year Retention Requirement**

The proposed amendments eliminate the five-year retention requirement for homeownership projects. National CAPACD also opposes elimination of this requirement because it will encourage misuse and flipping. This inadvertently causes displacement in hot market neighborhoods of low-income residents. We are most concerned about this possible effect because AAPIs in poverty are concentrated in a limited number of metropolitan statistical areas (MSAs), with more than 50% living in the top ten MSAs. AAPIs are also disproportionately concentrated in metro areas with the highest housing costs and as a result, are severely vulnerable to displacement.

- **Advisory Councils**

The proposed amendments change the membership of the Banks' Advisory Councils of persons drawn from "community and not-for-profit organizations" to include for-profit organizations. The Advisory Councils are critical forums for non-profit leaders and community advocates to voice concerns and inform Bank decision-making impacting their communities. National CAPACD would like further clarification on the expansion of the "community" definition as well as an assurance that the Banks' Advisory Councils will remain committed to the community through majority membership of mission-driven organizations and community advocates.

- **Outcome Requirements**

The proposed changes to the current scoring system are fairly complex and may have the impact of reducing priority given to local needs. National CAPACD would

support a system where the distribution of awards is based on local area needs, and uses a transparent process that can be used to hold institutions accountable to local communities.

- **Targeted Community Lending Plan Data**

Under the proposed amendments, the Banks' boards of directors currently are required to adopt Targeted Community Lending Plans as part of their community support programs under FHFA's Community Support regulation. These Plans are focused largely on targeted economic development needs in the Banks' districts and would identify significant housing needs in the Bank's district, supported by empirical data. National CAPACD recommends that the Banks base their plans on local data, and conduct targeted oversampling of underrepresented populations to capture more accurate and disaggregatable data. Disaggregated data is particularly important to the AAPI population because reporting by the larger racial group can mask important differences among Asian and Native Hawaiian and Pacific Islander sub-groups. Without disaggregation, AAPI communities often remain misrepresented and under-funded.

Thank you for the opportunity to comment on Proposed AHP Amendments. Please let us know if you would like to discuss our recommendations in greater detail.

Sincerely,



Seema Agnani

Executive Director