

June 12, 2018

Mr. 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

Dear Mr. Pollard

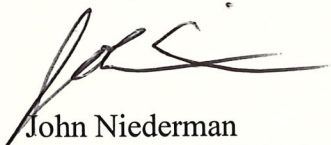
Thank you for the opportunity to comment on the proposed – Affordable Housing Program (AHP) Amendments published in the Federal Register on March 14, 2018. Given the complexity of the proposal and the importance of the AHP, we also appreciate the extension to the comment period granted in May. Pathfinder Services, Inc. has used AHP and homeownership set-a-side funds from both the Indianapolis and Pittsburgh Federal Home Loan Banks. The following comments to the proposed rule are based on our experience over the years in using FHLB funds to fill critical gaps in supportive housing developments and for homebuyers we serve.

- We are concerned about the overall complexity of the rule particularly with regard to the outcome framework. We believe the proposed methodology is too restrictive. It will hinder the flexibility of the program, an attribute that all support, and thus is counterproductive especially when the overall outcomes of the current AHP appear to track the results that the regulation would mandate. The propose framework would seem be harder to administer and less easy to use.
- We support the creation of targeted funds designed to meet specific housing needs within an FHLB's district that have been identified by analysis and the respective Advisory Committee but have proven difficult to address through the general fund's competitive application program. We are concerned, however, that using 30 or 40 percent of a Bank's AHP funding to establish up to three targeted funds may unduly limit the funds available for the homeownership set aside and the general funds under the competitive program.

- We support the maximum possible share of AHP set-aside resources for homeownership increasing from 35% to 40%. We support increase in the maximum benefit that each FHLB could provide a homebuyer from \$15,000 to \$22,000 but have concerns about eliminating the requirement that homeowners repay the Bank a portion of their benefit should they sell or refinance their home within five years of purchase.
- We support focus on down payment assistance programs, especially in the rising interest rate environment we now find those we assist in buying a home. Operating primarily in rural areas, we use an electronic form of home purchaser education and recommend that at least one hour of counseling with an in-person counselor should be required.
- The Advisory Councils are a critical access point to the program for nonprofits developers. We do not support diluting the nonprofit voice by including ‘for profit organizations’ as “community” and ‘not for profit’ orgs if such organizations would become a large proportion of an Advisory Council. The majority of members on the council should be not-for profit organizations and government agencies to bring the mission and perspective for success in reaching and maintaining long-term affordability in homeownership and rental projects.
- Rural regions are suffering from a lack of access to credit and subsidy. The AHP has a role to play for member banks and nonprofit partners to change this dynamic, whether through homeownership set-aside or competitive programs (General Fund or Targeted Funds). We support rural as a defined underserved area.

Thank you for the opportunity to comment on the proposed rules.

Sincerely,



John Niederman
President