



June 12, 2018

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

Re: Comments/RIN 2590-AA83

Dear Mr. Pollard:

CASA of Oregon is submitting comments to the Federal Housing Finance Agency (FHFA) on its proposed amendments to the Federal Home Loan Banks' Affordable Housing Program (AHP).

CASA of Oregon is a statewide nonprofit organization based in Sherwood, OR that provides housing and asset-building programs to disadvantaged Oregonians, particularly in rural areas. We are a Technical Assistance Provider under the national ROC USA network. Our organization has representation on national boards including National Rural Housing Coalition, National Community Reinvestment Coalition and the National Farmworker Housing Directors Association. We work in coalition with our partners at Enterprise Community Partners, Prosperity Now, Housing Assistance Council and National Low Income Coalition. Our work includes ensuring policy at the federal, state and local levels serves those who are least likely to benefit from the inequalities and inequities that currently exist in society.

CASA and its partners have been prodigious users of the AHP program since its inception. Our focus has been primarily on farmworkers and rural housing so we would like to support the letters sent by Housing Assistance Council and Prosperity Now as their comments also reflect ours.

As a former member of the Federal Home Loan Bank's AHAC, we had advocated for a streamlined AHP program. We had seen the program's flexibility continually erode as regulators increasingly treated the program as a loan rather than the grant program as it was designed. This "regulation by examination" has meant that it has become increasingly difficult for owners of affordable housing to meet the requirements of the AHP program. In my opinion, the increased prescriptive language in this proposed regulation is detrimental to the original spirit of the AHP program.

Historically, the AHP has been an effective and useful source of gap funding for various types of projects across all eleven Federal Home Loan Banks. Any change to the AHP regulations, including scoring and regulatory priorities, should not complicate the AHP application, award and monitoring processes.

FHFA should consider permitting the Banks to develop Targeted Funds that may serve income bands that exceed 80% area median income (AMI). As HAC notes in their comment letter, AMI is not typically a good measure to use in rural areas so some modified calculation of AMI is likely a better measure.

Rural housing, and in particular, manufactured housing community preservation, is a significant priority for us. The FHFA has demonstrated its commitment to rural and manufactured housing through the Duty to Serve Underserved Markets for the Enterprises regulation rules. Those rules recognize the importance of rural housing and that manufactured housing is a significant source of housing for very low-, low-, and moderate-income households. Duty to Serve rules recognized that financing and down payment assistance are often not available to manufactured home buyers. However, there have been inconsistencies in the scoring that have created challenges for manufactured homebuyers, particularly in the resident-owned coops that CASA forms.

The AHP application does not consider the complete picture of what is needed to preserve old manufactured housing parks that are in poor condition. As new construction and rehabilitation uses are mutually exclusive in the application, neither approach is scored in a way that captures the value of the project. Organizations that acquire parks almost always need both funds for infrastructure improvements and in many cases, to replace dilapidated, obsolete homes.

We are supportive of the increased maximum allocation percentage of the Homeownership-Set Aside Programs, while retaining the alternate \$4.5 million threshold, which will increase the amount of low- or moderate-income homebuyers that will be able to purchase or rehabilitate their homes. The rehabilitating or replacement of manufactured homes is key to sustainable homeownership and wealth building. The AHP should be specifically positioned to help facilitate this in parallel with Duty to Serve.

The AHP proposed rule was expected to offer regional flexibility, but the overall effect increases regulatory control, program complexity, and reduces transparency. It creates a national, prescriptive program reducing the local responsiveness of each FHLBank. It demands that the majority of funds be spent to achieve nationally prescribed housing goals that from a national viewpoint may be important, but from a location specific viewpoint may totally miss the need in a particular community.

CASA of Oregon's work focus on the housing needs of agriculture workers and having national priorities that don't necessarily align with State of Oregon priorities in this regard would be detrimental to our ultimate goal of creating more housing for this population. The proposed rules re-defines the qualification of specific housing types that would qualify under the national outcomes in ways that are illogical and contrary to best practices

While the Targeted Funds could help respond to diverse needs, it creates a cumbersome, time-consuming and restricted process of creating and administering those funds. Adding a targeted fund would require significant research, documentation of the need and a paced implementation process—requiring at least one to two years before a targeted fund could be established. One reason that Banks requested the capacity to have targeted funds was to respond to emergencies. This proposed rule will not be able to respond quickly.

Thank you for giving us the opportunity to comment on the proposed rule. Please contact me if you have any questions.

Kind Regards,

A handwritten signature in black ink that reads "Peter Hainley". The signature is written in a cursive, slightly slanted style.

Peter Hainley
Executive Director