

**Federal Home Loan Bank (FHLBank) Affordable Housing Program (AHP)
Proposed Rule (83 Federal Register 11344 (March 14, 2018))
Conference Call of the Federal Housing Finance Agency (FHFA) and the FHLBank of Des
Moines on the AHP Proposed Rule
May 16, 2018; 2:00 – 2:30 p.m. Eastern Standard Time**

Attendees (by telephone):

FHFA: Marcea Barringer, Eric Howard, Sharon Like, Adam Pecsek

FHLBank of Des Moines: Jennifer Ernst

Summary: On May 16, 2018, FHFA held a conference call with FHLBank of Des Moines staff to discuss a statement contained in the FHLBank’s analysis of the AHP proposed rule on its website. The following is a summary of the attendees’ discussions and reflects solely the statements of the attendees, as captured by FHFA staff.

According to the FHLBank’s website: “by controlling at least 65 percent of the entire year's AHP contribution, FHFA outcome requirements will drive the types of projects that receive AHP funds.” FHFA staff asked how the FHLBank derived the 65 percent figure. FHLBank staff explained that it combined the 55 percent of funds that must meet two of the three regulatory priorities under proposed § 1291.48(d) and the 10 percent of funds that must meet the home purchase priority under proposed § 1291.48(b).

FHFA staff pointed out that there likely would be significant overlap between these two outcome requirements such that the 65 percent figure likely overstates the amount of total AHP funds that would be applied to the two outcome requirements in combination, and that the FHLBank’s calculation methodology assumes no overlap. FHFA staff noted that Homeownership Set-Aside Program funds for first-time homebuyers would count as Promotion of Empowerment under the Underserved Communities or Populations regulatory priority based on its counseling component, and Homeownership Set-Aside Program Funds for owner-occupied rehabilitation would count under the Affordable Housing Preservation regulatory priority. FHFA staff stated that there would be quite a bit more flexibility in meeting the regulatory priorities than the statement on the FHLBank’s website would lead a reader to believe.