



Partnership Is Our Middle Name.

January 17, 2013

VIA E-MAIL

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
400 Seventh Street, S.W.
Washington, D.C. 20024

Re: Comments/RIN 2590-AA57

Proposed Rules of Practice and Procedure: Enterprise and Federal Home Loan Bank Housing Goals Related Enforcement Amendment, published at 77 F.R. 72247 (the "Proposed Rule")

To Whom It May Concern:

Section 10C(a) of the Federal Home Loan Bank Act, as amended by HERA (12 U.S.C. § 1430c(a)), requires the Director for the Federal Housing Finance Agency ("FHFA") to establish housing goals with respect to the purchase of mortgages by the Federal Home Loan Banks ("FHLBanks"), and further expressly requires that such purchase goals shall be consistent with the goals established for the Enterprise, ***taking into consideration the unique mission and ownership structure of the Banks***. 12 U.S.C. § 1430c(b) (emphasis added). The Mortgage Partnership Finance Program's ("MPF") Governance Committee of the FHLBanks appreciates the opportunity to submit this letter in response to the FHFA's proposed Rules of Practice and Procedure: Enterprise and Federal Home Loan Bank Housing Goals Related Enforcement Amendment.

The FHLBanks offering the MPF program to our members welcome the opportunity to discuss and provide our insights to the Director relating to the process used to determine the FHLBanks' success in meeting housing goals mandated by Section 10C(a) of the Federal Home Loan Bank Act that take into "consideration the unique mission and ownership structure of the Banks."

As the FHFA is aware, the Enterprises and the FHLBanks support affordable housing in very different ways. The Enterprises have no comparable requirement to contribute income directly in support of affordable housing or programs through which to do so. Instead, the Enterprises have generally supported affordable housing through the development of specialized mortgage loan products such as "My Community Mortgage," "Community Seconds," and "Home Possible Mortgages."

In contrast, pursuant to the Affordable Housing Regulation, 12 C.F.R. 951, the FHLBanks contribute 10% of their annual income to make available, at the least, two key affordable housing programs (“AHP”). Funds from both of these programs may be used to purchase, construct or rehabilitate owner-occupied or rental housing through grants to low- or moderate-income households and through interest-rate subsidies on advances to members used to support eligible housing projects.

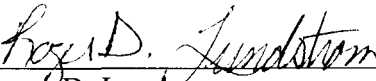
In another fashion, certain of the FHLBanks have chosen to support their “[f]inancing of housing, including single-family and multi-family housing serving consumers at all income levels,” by offering mortgage purchase programs (the “MPF” or “MPP” Programs) available to members who wish to access better or otherwise unavailable secondary markets for residential loans. *See* 12 C.F.R. §1265.2. These acquired mortgage asset (“AMA”) programs were developed more than fifteen years ago and allow members of an FHLBank to make more loans within their communities than they would otherwise be able to do, while preserving liquidity and relieving them of the interest rate risk associated with long-term, fixed-rate, prepayable mortgages. These programs enable a member to provide loans to a wider community of qualified borrowers and assist such members with interest-rate risks that they may not have sufficient expertise to handle.

The AMA programs support the broad availability of affordable housing and provide valuable benefits to members. Therefore we believe these existing programs should be considered in the application of the FHLBanks compliance with FHFA housing goals.

We welcome the opportunity for further dialogue with the Director regarding the above and the successful achievement of housing goals.

Thank you for your consideration of our views.

Sincerely,



Roger D. Lundstrom,
Chairman, MPF Governance Committee of the FHLBanks