

Comment #31

-----Original Message-----

From: Julie Kalkowski [mailto:juliek@uwmidlands.org]
Sent: Tuesday, December 16, 2008 2:25 PM
To: Comments
Subject: Comment on RIN 2590-AA04

Julie Kalkowski
5002 South 24th Street, #202
Omaha, NE 68107-2754

December 16, 2008

Federal Housing Finance A (FHFA)
1625 Eye Street, NW
Washington, D.C. 20006

Dear Federal Housing Finance A (FHFA):

I write to comment on the Federal Housing Finance Agency (FHFA) interim final rule to institute the law requiring the FHFA to allow the the Federal Home Loan Banks (Banks) to use a portion of the Affordable Housing Program (AHP) homeownership set-aside funds to refinance mortgages.

The FHFA should not permit the entire 35% of the AHP available for downpayment assistance to be used for refinancing.

In addition, the FHFA should demand a \$2 match from participating financial institutions for every \$1 received from the AHP for foreclosure mitigation. The Federal Housing Finance Board's original proposal included this requirement.

The Banks should first utilize other funds already available to them and demonstrate their impact before tapping into a reliable source of homeownership already seen as a critical part of the pipeline for affordable homeownership.

The original proposal was quite controversial with more than half of commentators opposing the rule. These concerns are not reflected in this Interim Final Rule.

Due to a record number of foreclosures in low to moderate income neighborhoods in Omaha, the stock of affordable housing is the largest in recent memory. So, this makes home ownership a viable option for a significant number of working families in Omaha. If these families lose \$75 million in possible mortgages it will contribute to the further deterioration of the neighborhoods hardest hit by the foreclosures.

I urge you to not make struggling families compete for affordable mortgages by reducing the amount of funding available. Robbing Peter to pay Paul has never been a long-term solution.

Comment #31

The FHFA has substantial flexibility to require some local buy-in before enabling a member financial institution to take resource from new, first-time low-income homeowners at a time where it is more difficult to get mortgages.

Sincerely,

Julie Kalkowski
402-502-1977