

April 25, 2006

Federal Housing Finance Board
1625 Eye Street, NW
Washington DC, 20006

Att: Public Comments

To whom it may concern,

Michigan Community Reinvestment Coalition (MCRC) would like to thank you for allowing us to comment on this subject.

MCRC supports the proposal that would eliminate accelerating set-asides for homeownership programs. These features had the potential for effectively increasing the homeownership aside beyond the current set-aside of 35% of a FHLB bank's annual AHP contribution.

MCRC supports the proposed movement away from mandatory counseling for homeownership programs. Under the current homeownership set-aside program, homeownership counseling is mandatory. MCRC supports the proposal to allow a FHLB bank, at its option, to require homeownership counseling under the competitive application or set-aside programs. However, FHLB bank must not be allowed to require homeownership counseling for all of its homeownership programs under the competitive application and set-aside programs. In order to preserve flexibility in judging the needs of borrower groups, counseling components of various homeownership programs should be determined on a case by case basis by FHLB banks, lending institutions, and non-profit community organizations.

MCRC strongly supports the proposal that both member banks and non-member institutions cannot charge interest or fees that exceed a reasonable market rate. High cost lending has accelerated in recent years.

We appreciate this important opportunity to comment on proposed changes to the AHP program. We sincerely hope that the Finance Board consider a specific small business program. As a first step, please consider convening a conference or symposium on small business needs across America.

Thank you,

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