Habitat for Humanity Northshore

June 12, 2018

Mr. Alfred M. Pollard

General Counsel

Federal Housing Finance Agency

400 Seventh Street S.W.

Washington, D.C. 20219

Attention: Comments/RIN 2590-AA83

**Re: Notice of Proposed Rulemaking – Affordable Housing Program**

Dear Mr. Pollard:

Thank you for the opportunity to provide comments on the proposed rule changes to regulations governing the Federal Home Loan Bank Affordable Housing Program. Habitat for Humanity -North Shore (HFHNS) has been a sponsor of two successful projects awarded funding through the AHP program over the past 20 years.

I wish to express serious concerns regarding the Federal Housing Finance Agency’s (FHFA) proposal to amend regulations governing the Federal Home Loan Banks' (FHLBanks) Affordable Housing Program (AHP). While Habitat for Humanity (Habitat) supports efforts to modernize the AHP, it is important to recognize the program’s historical success in meeting local needs and to ensure that reforms protect the FHLBanks’ authority and flexibility to have an even greater impact in the future. Habitat affiliates and state organizations have accessed hundreds of millions of AHP dollars over the past 20-plus years to create homeownership opportunities for low-income households. Our efforts have been supported by hundreds of FHLBank member banks in all eleven FHLBank regions.

Habitat For Humanity - North Shore was founded in 1985 and serves 19 cities and towns in Essex County, north of Boston. To date we have completed 42 homes, with 3 more homes under construction in the towns of Hamilton and Danvers. In the past 20 years, HFHNS has received two AHP grants from the Boston FHLB, most recently in 2016.

HFHNS has the following specific concerns with the proposed rule:

1. Targeted populations- the proposed changes from a threshold of 20% to 50% is extreme and will be next to impossible for most non-profit homeownership developers to meet. The current threshold is working. Many of our Habitat affiliates are meeting the current 20% targeted population threshold and can also serve other at-risk populations as well within their AHP application, i.e. extremely low to low income households who have no special needs and or are not homeless.
2. Re-Ranking of applications- this proposed change, in HFHNS’s opinion can be perceived as being very unfair and biased. In reality, all of the clients that Habitat serves are at-risk and underserved, regardless of whether an application has ahomeless or special needs person in it. Whether the housing will be located in a rural or urban area. There is a serve lack of affordable housing throughout the U.S. currently. The FHFA needs to leave the latitude and decision making to the FHLB’s serving their specific areas. They know the needs and can best address them without having further regulations put upon them
3. Removing the 5- year retention language is a mistake. Simple, decent, affordable and energy efficient housing must be kept that way, serving those who are most at risk and underserved. Even if ‘flipping’ so to speak has not been an issue in the AHP program, HFHNS’s opinion is that is because the retention language has been in place and has stopped the opportunity to do so.
4. I have spoken with FHLB staff who have expressed concern that the proposed rulemaking changes will put excessive burdens on these individuals who review the online applications, look through the thousands of ‘hard copy’ documents and take care of the modifications and disbursements.

Thank you for your consideration of these comments.

Sincerely,

Donald Preston

Executive Director

Habitat For Humanity - North Shore, Inc.