

June 12, 2018

Alfred M. Pollard, General Counsel

Attention: Comments/RIN 2590-AA83

Federal Housing Finance Agency

400 Seventh Street, SW, Eighth Floor

Washington, D.C. 20219

**Re: Notice of Proposed Rulemaking and Request for Comments –**

**RIN 2590-AA83 – Affordable Housing Program Amendments**

Mr. Pollard,

Thank you for the opportunity to comment on your recent release of proposed rulemaking regarding the Affordable Housing Program (“AHP”) of the Federal Home Loan Banks (FHLBs). I am presently President of the South Central Assembly, based in central Pennsylvania. Our organization has a mission to enhance the quality of life in the region by improving governance and encouraging cooperation among governmental entities. We foster public-private partnerships and collaborate with non-governmental organizations to develop and communicate "best practices" in local government service delivery. An integral part of our strategy is to foster effective policies and practices for the development of quality, affordable housing for low-and-moderate income families. The Federal Home Loan Bank of Pittsburgh has been an important partner in assisting us with strategies to advance affordable housing in the market, and the FHLB Affordable Housing Program (AHP) has been an effective program used my numerous housing developers in central PA.

We are concerned with the outcomes framework as proposed in the AHP regulation amendments. The outcomes-based framework prioritizes the Federal Housing Finance Agency’s (FHFA’s) overall housing goals. The unintended consequence of this approach is that the proposed outcomes establish preferences for certain project types, lessen AHP’s connection to and support for community development, and make AHP less transparent.

AHP is a critical source of funds for housing development and should support the projects needed in local communities through a clear and understandable process. The outcomes framework as proposed in the amendments introduces a complex award structure that makes the AHP process unclear and makes AHP a less-attractive funding resource. A scoring-based system, which has worked well for 28 years, is strongly preferred over an outcomes-based framework. The scoring-based system allows FHLBanks to encourage all project types to apply, connects AHP to many community development strategies and maintains program transparency.

We commend FHFA for working to update the AHP regulation. However, in light of the concerns above, we respectfully ask that you reconsider parts of the proposed amendments, especially the required outcomes framework. Thank you for hearing our ideas on this very important subject. If you have any questions, please feel free to contact [jbrodhead@communityfirstfund.org](mailto:jbrodhead@communityfirstfund.org) or George Klaus, Secretary of SCA at [gklaus@comcast.net](mailto:gklaus@comcast.net).

Sincerely,

Joan Brodhead

President, South Central Assembly