May ­­­­­­­\_\_, 2018

Alfred M. Pollard, Esq.

General Counsel

Federal Housing Finance Agency

400 Seventh Street, SW

Eighth Floor

Washington, D.C. 20219

Attention: Comments/RIN 2590-AA83

**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 notice of proposed rulemaking regarding the Affordable Housing Program (AHP) of the Federal Home Loan Banks (FHLBanks). I am presently [your title] of [institution name]. [institution name] is a [type of entity] headquartered in [city and state] that is a [member or stakeholder] of the Federal Home Loan Bank of Chicago (FHLBank Chicago).

[Add personal comments on your institution’s experience with AHP and/or how AHP funding has helped your community]

My institution is concerned with the outcomes framework as proposed in the AHP regulation amendments. We had hoped that the proposed rule would provide the FHLBanks with greater authority to design their Affordable Housing Programs to address specific affordable housing needs in their districts per the stated objective of the Federal Housing Finance Agency (FHFA). However, the proposed amendments introduce an outcomes-based framework for awarding AHP funds that prioritizes the FHFA’s overall housing goals. The unintended consequence of this approach is that the proposed outcomes will drive the program, dramatically reducing FHLBank discretion to address local housing needs, establishing preferences for certain project types, and making AHP less transparent.

[Possible language for a member]

As a member, we have confidence in the FHLBank Chicago to effectively direct AHP funds to meet the needs of our local district. We strongly favor the continued use of a scoring-based framework, as it provides the FHLBank Chicago with the flexibility to respond to local needs, encourages all project types to apply, and maintains the program transparency that we value. A regulatory-required outcomes framework may lessen the number of opportunities for our institution to successfully participate in AHP in the future, reduce the number of deep community relationships we have with housing partners, and limit Community Reinvestment Act credits and the lending and investing opportunities that often come with AHP involvement.

[Possible language for a sponsor/stakeholder]

AHP is a critical source of funds for housing development, and the program should be flexible enough to support the types of 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 scoring process unclear and ultimately less attractive as a funding resource. A scoring-based system that provides FHLBanks with more discretion and the ability to establish targeted funds is strongly preferred over an outcomes-based framework. It will allow the FHLBank Chicago to effectively respond to changing local needs, encourage all project types to apply, and maintain program transparency.

[Add your comments related to concerns important to your institution]

We commend the FHFA for working to modernize the AHP regulation. However, in light of the concerns outlined above, we respectfully request that you reconsider parts of the proposed amendments, especially the required outcomes framework. Thank you for taking our comments on this very important subject into consideration. If you have any questions, please feel free to contact me at [phone number or email].

Sincerely,

[your name and title]

[institution name]

[institution address]