



October 2, 2009

By e-mail to RegComments@FHFA.gov

Federal Housing Finance Agency
Fourth Floor
1700 G Street, N.W.
Washington, D.C. 20552

Attention: Comments/RIN 2590-AA04

Re: Interim Final Rule on Affordable Housing Program Amendments: Federal Home Loan Bank Mortgage Refinancing Authority

Dear Sir or Madam:

The Federal Home Loan Bank of Topeka ("FHLBTopeka") appreciates the opportunity to comment on the Interim Final Rule published by the Federal Housing Finance Agency ("FHFA") in the *Federal Register* August 4, 2009 addressing Affordable Housing Program ("AHP") Amendments.

FHLBTopeka applauds the FHFA's efforts to implement Section 1218 of the Housing and Economic Recovery Act of 2008 ("HERA"), which allows FHLBanks until July 30, 2010, to use AHP homeownership set-aside funds to refinance low- or moderate-income households' mortgage loans. FHLBTopeka was pleased to see that the interim final rule provides that loans are eligible for refinancing with AHP subsidy if they are refinanced under an "eligible targeted refinancing program," which expands the definition beyond the requirement that the loan be refinanced under the HOPE for Homeowners Program. This initiative will provide the FHLBanks enhanced opportunities to be part of the solution to the current housing crisis. In the following comments we offer suggestions to improve the rule's effectiveness.

In order to help increase the effectiveness and benefits of the refinancing authority, FHLBTopeka urges the FHFA to extend the sunset date in §1291.6(f)(6) through at least December 31, 2010. FHLBTopeka believes the foreclosure crisis has lasted longer than expected when HERA was drafted and believes that an extension of the sunset date would help FHLBTopeka provide needed support to our district.

We also commend the FHFA's decision to expand the Second District Priority scoring criterion in §1291.5(d)(5)(vii). FHLBTopeka believes the authority, which permits the FHLBanks to establish one or more housing needs under the Second District Priority scoring criterion, will allow FHLBTopeka to better tailor the AHP competitive application program to meet the needs of FHLBTopeka's district. We were pleased to see that the expanded Second District Priority is not limited to foreclosure-related factors and that it has no expiration date. We believe this flexibility will allow FHLBTopeka to develop priorities that meet the unique needs of FHLBTopeka's district while preserving the necessary oversight role of the FHFA.

FHLBTopeka also supports the provisions of the interim final rule to: (1) Allow set-aside funds to be used in conjunction with federal, state and local foreclosure prevention programs; (2) Require one-third of annual set-aside funds to be used for first-time homebuyers; (3) Require five year retention agreements consistent with the five year retention policy applicable to AHP homeownership recipients; (4) Remove language restricting eligible uses to FHA-approved closing costs; (5) Apply requirements related to reasonable rate of interest, fees and other charges for loans of similar maturity; (6) Eliminate the FHA-approved lender requirement; (7) Allow FHLBanks to require a household to obtain its refinancing loan from an FHLBank member institution; and (8) Require a household seeking AHP foreclosure prevention assistance to obtain foreclosure mitigation counseling.

Finally, FHLBTopeka recommends the FHFA modify the counseling requirement in §1291.6(f)(5) to require foreclosure prevention counseling before transfer of funds rather than prior to enrollment. The fluctuations in available funds for FHLBank set-aside programs as well as state and local programs may result in funds being exhausted if a household is not allowed to enroll in a set-aside program while the household is fulfilling the foreclosure prevention counseling requirement. We believe such a modification would result in a more practical application of the counseling requirement.

Thank you for your consideration of our comments.

If you have any questions, please contact Chris Imming, First Vice President and Director of Housing and Community Development (785-438-6029), Brad Hodges, Senior Vice President (785-438-6003), or me (785-438-6001).

Sincerely,



Andrew J. Jetter
President and CEO