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April 24, 2006

Federal Housing Finance Board
1625 Eye Street, N.W.
Washington, DC 20006
ATTENTION: Public Comments

Subject: Federal Housing Finance Board. Proposed Rule: Affordable Housing Program
Amendments. RIN Number 3069-AB26. Docket Number 2005-23

To Whom It May Concern:

I appreciate the opportunity to submit comments on the Federal Housing Finance Board's proposed revision of the Federal Home Loan Banks' Affordable Housing Program (AHP).

I have the privilege of serving on the Federal Home Loan Bank of Pittsburgh's Affordable Housing Advisory Council and have seen first hand the positive impact that the AHP has in helping produce much needed affordable housing in Delaware, Pennsylvania and West Virginia. Accordingly, my comments are based on my experiences working with the program and working with the FHLBank staff on the annual Implementation Plan that Council recommends to the Bank's Board of Directors.

The flexibility of the AHP, especially as a private sector match to government sources of funding, is its greatest strength. Because of this flexibility, AHP funds often are used in combination with other programs, ensuring a project's feasibility. Therefore, I support the Finance Board's effort to make the AHP more responsive and effective in an environment where all funding resources must be used to their greatest effect. Greater flexibility of the program, if used correctly, could be a very important step in that regard.

I would like to offer the following comments as the Finance Board works on a final regulation.

Expansion of Set-asides

I encourage the Finance Board to review the proposed revision to section 951.2(b) as it relates to FHLBanks' set-aside programs. I suggest that set-asides be permitted to address identified needs in FHLBank districts. Such set-asides could include:

- Revolving fund set-asides which could be used to lend funds for a variable length of time, from two to 15 years. The funds would be required to be repaid and then reused. Since these funds would have to be established to address unique housing needs, they should be addressed in a set aside program rather than in the competitive program;
- Set-asides for special needs housing; and
- Other set-asides as requested by the FHLBanks to meet the needs of their individual Districts and approved by the Finance Board.

"Borrowing" AHP funds from future earnings

The Finance Board proposes to eliminate the authority of the FHLBanks to accelerate or "borrow" AHP funds from the subsequent year to fund the current year's AHP program. (Proposed regulation §951.3(a)(2)). This "borrowing" authority has proven useful in creating balance between the mission of the FHLBanks to support housing and the need to operate in a safe and sound manner.

FHLBanks have used this authority in the past to maintain a steady level of AHP funding for the good of the affordable housing community. Revoking this authority from the FHLBanks will remove a useful tool and could negatively affect those in FHLBank districts who desperately need housing.

AHP Loan Pool Authority

The Finance Board has requested comment on whether rental housing loans should be eligible under the AHP loan pool authority, and if so, what kinds of loans and activities, consistent with AHP requirements, should be eligible.

I agree with the Finance Board's suggestion in the proposed rule to include rental housing loans as eligible under the AHP loan pool authority. Once again, the proposed rule would allow the flexibility the FHLBanks' need to maximize the benefit of AHP to each District.

Additional Flexibility in AHP Scoring

The Finance Board should consider expanding FHLBank flexibility within the AHP scoring system in a manner that would be consistent with the requirements of the FHLBank Act. As pointed out in the beginning of this letter, one of the keys to the AHP's success is its ability to work with other funding programs. Granting FHLBanks greater flexibility will enhance the key feature of the program.

In addition to working better with existing programs, increased flexibility will improve the AHP's program to serve a wider range of needs. Rigidity in scoring leads to rigidity among the funded projects which may not suit the needs of the applicable region or Bank District.

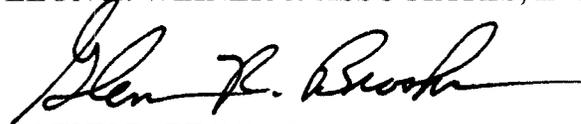
Since the founding of the AHP program, each FHLBank has developed an expertise in understanding the unique needs of the areas it serves. Rigidity of scoring produces mediocre results, funding certain traditional projects while other, more ambitious and necessary projects go unfunded. For example, funding for preservation or workforce housing are the types of projects that can be disadvantaged under the existing rigid scoring criteria.

In addition, the Finance Board should permit the FHLBanks to create a regional scoring system. Each FHLBank represents multiple states with vastly different demographics and specialized needs. Housing need is best analyzed on a regional basis. The FHLBanks should be granted the authority to divide states into separate regions for scoring purposes. This additional flexibility would allow FHLBanks to restructure the point allocation per region in order to fund the most essential projects serving the greatest needs in specific areas. The needs of the communities would be better served.

In closing, I appreciate the Finance Board's efforts in revising the AHP regulation and providing the opportunity for input as you continue to work on this important matter.

Sincerely,

LEON N. WEINER & ASSOCIATES, INC.



GLENN R. BROOKS
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