

---

# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

**Contact:** Corinne Russell (202) 414-6921  
Stefanie Mullin (202) 414-6376

---

For Immediate Release  
October 8, 2008

### FHFA APPROVES INTERIM AFFORDABLE HOUSING RULE TO PRESERVE HOMEOWNERSHIP

**Washington, DC** – The Federal Housing Finance Agency (FHFA) today sent to the *Federal Register* an interim final rule amending its Affordable Housing Program (AHP) regulation. The changes to the AHP regulation will help preserve homeownership for low- and moderate-income families by allowing the use of AHP subsidy in conjunction with the Federal Housing Administration's (FHA) HOPE for Homeowners Program.

The FHFA's AHP regulation requires each of the 12 Federal Home Loan Banks (FHLBanks) to contribute 10 percent of its previous year's net earnings to assist member institutions engaged in lending for owner-occupied and rental housing that is affordable for low- and moderate-income households. The interim final rule amends the AHP regulation to allow the FHLBanks to establish temporary mortgage refinancing programs under an existing set-aside authority within the AHP.

The rule permits the set-aside funds to be used for two new purposes. First, they may be used to reduce the outstanding principal balance of the refinanced loan below the maximum 90 percent loan-to-value ratio established by the HOPE for Homeowners Program to make monthly payments affordable for the household. Second, they may be used to pay FHA-approved loan closing costs.

"The use of AHP set-aside funds with the HOPE for Homeowners Program will enhance the effectiveness of each program, ensure that the full range of federal assistance to homeowners is available quickly, and provide the flexibility that the FHLBanks and their members need to make the AHP refinancing program successful," said FHFA Deputy Director for Housing Mission and Goals Edward DeMarco.

The interim final rule will become effective on the date of publication in the *Federal Register*. The FHFA will accept comments on the interim rule for 60 days after publication. Those comments will be considered in promulgating a final rule.

[Link to interim final rule](#)

###

*The Federal Housing Finance Agency (FHFA) combines the responsibilities of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB) and the HUD government-sponsored enterprise (GSE) mission team to regulate Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. Together these 14 GSEs provide funding for \$6.2 trillion of residential mortgages in the U.S.*