



FEDERAL HOUSING FINANCE AGENCY

[No. 2025-N-9]

Proposed Collection; Comment Request

AGENCY: Federal Housing Finance Agency.

ACTION: 60-Day notice of submission of information collection for approval from Office of Management and Budget.

SUMMARY: The Federal Housing Finance Agency (FHFA), as part of its continuing effort to reduce paperwork and respondent burden, invites public comments on an information collection titled the “Affordable Housing Program,” as required by the Paperwork Reduction Act of 1995 (PRA). FHFA intends to submit to the Office of Management and Budget (OMB) the information collection (assigned control number 2590-0007 by OMB) for review and approval of a three-year extension of the control number, which is set to expire April 30, 2026.

DATES: Interested persons may submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Submit comments to FHFA, identified by “Proposed Collection; Comment Request: ‘Affordable Housing Program, (No. 2025-N-9)’” by any of the following methods:

- *Agency Website:* www.fhfa.gov/open-for-comment-or-input.
- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the *Federal eRulemaking Portal*, please also send it by *e-mail* to FHFA at RegComments@fhfa.gov to ensure timely receipt by the agency.
- *Mail/Hand Delivery:* Federal Housing Finance Agency, Fourth Floor, 400 Seventh Street SW., Washington, DC 20219, ATTENTION: Proposed

Collection; Comment Request: “Affordable Housing Program, (No. 2025-N-9).” Please note that all mail sent to FHFA via U.S. Mail is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly.

FHFA will post all public comments on the FHFA public website at <http://www.fhfa.gov>, except as described below. Commenters should submit only information that the commenter wishes to make available publicly. FHFA may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. FHFA may, in its discretion, redact or refrain from posting all or any portion of any comment that contains content that is obscene, vulgar, profane, or threatens harm. All comments, including those that are redacted or not posted, will be retained in their original form in FHFA’s internal file and considered as required by all applicable laws. Commenters that would like FHFA to consider any portion of their comment exempt from disclosure on the basis that it contains trade secrets, or financial, confidential or proprietary data or information, should follow the procedures in section IV.D. of FHFA’s *Policy on Communications with Outside Parties in Connection with FHFA Rulemakings*, see https://www.fhfa.gov/sites/default/files/documents/Ex-Parte-Communications-Public-Policy_3-5-19.pdf. FHFA cannot guarantee that such data or information, or the identity of the commenter, will remain confidential if disclosure is sought pursuant to an applicable statute or regulation. See 12 CFR 1202.8, 12 CFR 1214.2, and the FHFA *FOIA Reference Guide* at <https://www.fhfa.gov/about/foia-reference-guide> for additional information.

FOR FURTHER INFORMATION CONTACT: Tiffani Moore, Supervisory Policy

Analyst, Tiffani.Moore@fhfa.gov, (202) 649–3304; or Angela Supervielle, Assistant General Counsel, Angela.Supervielle@fhfa.gov, (202) 649-3973 (these are not toll-free numbers); Federal Housing Finance Agency, 400 Seventh Street, SW, Washington, DC 20219. For TTY/TRS users with hearing and speech disabilities, dial 711 and ask to be connected to any of the contact numbers above.

SUPPLEMENTARY INFORMATION:

A. Background

1. Paperwork Reduction Act

Under the PRA (44 U.S.C. 3501–3520), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. “Collection of information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) to include agency requests or requirements that ten or more persons submit information to a third party. Section 3506(c)(2)(A) of title 44 requires Federal agencies to provide a 60-day notice¹ in the *Federal Register* concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection of information to OMB for approval. FHFA’s collection of information set forth in this document is titled the “Affordable Housing Program” (assigned control number 2590-0007 by OMB). To comply with the PRA requirement, FHFA is publishing notice of a proposed three-year extension of this collection of information and of the control number.

2. Affordable Housing Program

Section 10(j) of the Federal Home Loan Bank Act (Bank Act) requires FHFA to promulgate regulations under which each of the 11 Federal Home Loan Banks (Banks) must establish an Affordable Housing Program (AHP) to provide subsidy to the Banks’

¹ Following the close of this notice’s 60-day comment period, FHFA will publish a second notice with a 30-day comment period as required by 44 U.S.C. 3507(b) and 5 CFR 1320.10(a).

member institutions to finance: (1) homeownership by households with incomes at or below 80 percent of the area median income (low- or moderate-income households); and (2) the purchase, construction, or rehabilitation of rental housing in which at least 20 percent of the units will be occupied by, and affordable for, households with incomes at 50 percent or less of the area median income (very low-income households).² Section 10(j) also establishes standards and requirements for providing such subsidized funding to Bank members and requires each Bank to contribute 10 percent of its previous year's net earnings to its AHP annually, subject to a minimum annual combined contribution by the 11 Banks of \$100 million.³

FHFA's AHP regulation, which implements the statutory AHP requirements, is set forth at 12 CFR part 1291. The regulation requires that each Bank establish and fund an AHP and sets forth the parameters within which the Banks' programs must operate. The regulation permits the Banks a degree of discretion in determining how their individual programs are to be implemented and requires that each Bank adopt an AHP Implementation Plan setting forth the specific requirements for that Bank's program.⁴

Competitive Application Programs

The AHP regulation requires each Bank to establish a General Fund, which is a competitive application program under which the Bank accepts applications for AHP subsidized advances or direct subsidies (grants) submitted by its members on behalf of non-member entities having a significant connection to the projects for which subsidy is being sought (project sponsors).⁵ The AHP regulation also authorizes each Bank, in its discretion, to establish up to three Targeted Funds, which are competitive application

² See 12 U.S.C. 1430(j)(1) and (2).

³ See 12 U.S.C. 1430(j)(5)(C).

⁴ 12 CFR 1291.13(b).

⁵ 12 CFR 1291.20(a). Under the regulation, an AHP project sponsor may be an entity that either: (1) has an ownership interest in a rental project; (2) is integrally involved in an owner-occupied project, such as by exercising control over the planning, development, or management of the project, or by qualifying borrowers and providing or arranging financing for the owners of the units; (3) operates a loan pool; or (4) is a revolving loan fund. 12 CFR 1291.1 (definition of "sponsor").

programs under which funds are targeted to address specific affordable housing needs within the Bank's district that are either unmet, have proven difficult to address through the Bank's General Fund, or align with the objectives identified in the Bank's strategic plan.⁶ Each Bank accepts applications for AHP subsidy under its competitive application program(s) during a specified number of funding periods each year, as determined by the Bank.⁷ A Bank must determine for each application it receives whether the proposed project meets applicable AHP regulatory eligibility requirements.⁸ The Bank must score each application according to AHP regulatory and Bank-specific scoring guidelines, and approve the highest scoring projects within that funding period for AHP subsidy.⁹

The regulation provides that, prior to each disbursement of AHP subsidy for a project approved under a Bank's competitive application program(s), the Bank must verify that the project continues to meet applicable AHP regulatory eligibility requirements, as well as all commitments made in the approved AHP application.¹⁰ As part of this process, Banks typically require that the member and project sponsor provide documentation demonstrating continuing compliance. In the event of project noncompliance, a project sponsor is required to make a reasonable effort to cure the noncompliance within a reasonable period of time.¹¹

If the project sponsor cannot cure the noncompliance within a reasonable period of time, the regulation permits a Bank to approve a modification to the terms of an approved application. This modification can change the score that the application received for the funding period in which it was originally scored and approved, as if the changed facts had been in effect at that time.¹² Before a Bank approves a modification:

⁶ 12 CFR 1291.20(b).

⁷ 12 CFR 1291.22(a).

⁸ 12 CFR 1291.22(b)(1).

⁹ 12 CFR 1291.22(c).

¹⁰ 12 CFR 1291.30(c).

¹¹ 12 CFR 1291.60(b)(1).

¹² 12 CFR 1291.60(b)(2).

(i) the project, incorporating the changes, must continue to meet the regulatory eligibility requirements; (ii) the application, as reflective of the changes, must continue to score high enough to have been approved in the funding period in which it was originally scored and approved; and (iii) there must be good cause for the modification, and the analysis and justification for the modification must be documented by the Bank in writing.¹³

The regulation requires generally that a Bank monitor owner-occupied and rental projects receiving AHP subsidy under its competitive application program(s) prior to and after project completion.¹⁴ During the initial monitoring period, a Bank must determine whether the project is making satisfactory progress towards completion, in compliance with the commitments made in the approved application, Bank policies, and applicable AHP regulatory requirements.¹⁵ Following project completion, the Bank must determine whether satisfactory progress is being made towards occupancy of the project by eligible households.¹⁶ Within a reasonable period of time after project completion, the Bank must determine whether the project meets applicable AHP regulatory requirements and the commitments made in the approved application.¹⁷ During the long-term 15-year monitoring period for rental projects, subject to certain exceptions in the AHP regulation, the Bank must determine whether the household incomes and rents in the project comply with the income targeting and rent commitments made in the approved application.¹⁸ For both the initial and long-term monitoring, a Bank must review appropriate documentation maintained by the project sponsor.

Homeownership Set-Aside Programs

The AHP regulation also authorizes each Bank, in its discretion, to allocate up to

¹³ 12 CFR 1291.29(a).

¹⁴ 12 CFR 1291.50.

¹⁵ 12 CFR 1291.50(a)(1)(i).

¹⁶ 12 CFR 1291.50(a)(1)(ii).

¹⁷ 12 CFR 1291.50(a)(2).

¹⁸ 12 CFR 1291.50(c)(1).

the greater of \$4.5 million or 35 percent of its annual required AHP contribution to establish homeownership set-aside programs for the purpose of promoting homeownership for low- or moderate-income households.¹⁹ Under these homeownership set-aside programs, a Bank provides AHP direct subsidies to its members who, in turn, provide the subsidies as grants to eligible households for down payment, closing cost, counseling cost or rehabilitation assistance in connection with the household's purchase of a primary residence or rehabilitation of an owner-occupied residence.²⁰ Prior to the Bank's disbursement of a direct subsidy under its homeownership set-aside program(s), the member must agree that the subsidy will be provided in compliance with all applicable AHP regulatory eligibility requirements.²¹

AHP Information Submitted by Banks to FHFA

FHFA requires each Bank to submit to FHFA aggregate AHP information. Specifically, each Bank must submit to FHFA project-level information regarding its competitive application program(s) and household-level information regarding its homeownership set-aside program(s) semi-annually. The information the Banks are required to submit to FHFA is derived from the documentation submitted by Bank members and project sponsors that is described above.

B. Need for and Use of the Information Collection

The Banks use the AHP information collected from Bank members and project sponsors to determine whether: (1) projects for which Bank members and project sponsors are seeking subsidies under the Banks' competitive application programs satisfy the applicable statutory and regulatory requirements and score highly enough in comparison with other applications submitted during the same funding period to be approved for AHP subsidies; (2) projects approved under the Banks' competitive

¹⁹ 12 CFR 1291.12(b); 1291.40.

²⁰ 12 CFR 1291.42(d).

²¹ 12 CFR 1291.15(a).

application programs continue to meet the applicable AHP regulatory requirements and comply with the commitments made in the approved applications each time AHP subsidy is disbursed by the Banks, through their members, to the project sponsors; (3) requests for modifications of projects approved under the Banks' competitive application programs meet the AHP regulatory requirements for approval; (4) during the initial monitoring period, projects approved under the Banks' competitive application programs are making satisfactory progress towards completion, are making satisfactory progress towards occupancy of the projects by eligible households after completion, and, within a reasonable period of time after completion, are in compliance with the commitments made in the approved applications, Bank policies, and applicable AHP regulatory requirements; (5) during the long-term 15-year monitoring period, completed rental projects continue to comply with the household income targeting and rent commitments made in the approved applications; and (6) applications for direct subsidy under Banks' homeownership set-aside programs were approved, and the direct subsidies disbursed, in accordance with applicable AHP regulatory requirements.

FHFA uses the information to verify that the Banks' funding decisions, and the uses of the funds awarded, were consistent with statutory and regulatory requirements.

C. Burden Estimate

FHFA has analyzed each of the six facets of this information collection to estimate the hour burdens that the collection will impose upon Bank members and AHP project sponsors annually over the next three years. Based on that analysis, FHFA estimates that the total annual hour burden will be 106,784. The method FHFA used to determine the annual hour burden for each facet of the information collection is explained in detail below.

I. AHP Competitive Applications Submissions

FHFA estimates that Bank members, on behalf of project sponsors, will submit to

the Banks an annual average of 1,176 applications for AHP subsidies under the Banks' competitive application programs, and that the average preparation time for each application will be 24 hours. The estimate for the total annual hour burden on members and project sponsors in connection with the preparation and submission of AHP competitive applications is, therefore, 28,224 hours (1,176 applications × 24 hours).

II. Compliance Submissions for Approved Competitive Application Projects at AHP Subsidy Disbursement

FHFA estimates that Bank members, on behalf of project sponsors, will make an annual average of 325 submissions to the Banks documenting that projects approved under the Banks' competitive application programs continue to comply with the AHP regulatory eligibility requirements and all commitments made in the approved AHP applications at the time each AHP subsidy is disbursed to the project sponsors, and that the average preparation time for each submission will be 1 hour. The estimate for the total annual hour burden on members and project sponsors in connection with the preparation and submission of these compliance submissions is, therefore, 325 hours (325 submissions × 1 hour).

III. Modification Requests for Approved Competitive Application Projects

FHFA estimates that Bank members, on behalf of project sponsors, will submit to the Banks an annual average of 299 requests for modifications to projects that have been approved under the Banks' competitive application programs, and that the average preparation time for each request will be 2.5 hours. The estimate for the total annual hour burden on members and project sponsors in connection with the preparation and submission of these modification requests, therefore, is 748 hours (299 requests × 2.5 hours).

IV. Initial Monitoring Submissions for Approved Competitive Application Projects

FHFA estimates that project sponsors will make an annual average of 249 submissions of documentation to the Banks for purposes of the Banks' initial monitoring of in-progress and recently completed projects approved under their competitive application programs, and that the average preparation time for each submission will be 5 hours. The estimate for the total annual hour burden on project sponsors in connection with the preparation and submission of documentation required for initial monitoring of competitive application projects is, therefore, 1,245 hours (249 submissions \times 5 hours).

V. Long-Term Monitoring Submissions for Completed Competitive Application Rental Projects

FHFA estimates that project sponsors will make an annual average of 2,989 submissions of documentation to the Banks for purposes of the Banks' long-term monitoring of completed rental projects approved under their competitive application programs, and that the average preparation time for each submission will be 3 hours. The estimate for the total annual hour burden on project sponsors in connection with the preparation and submission of documentation required for long-term monitoring of completed competitive application rental projects is, therefore, 8,967 hours (2,989 submissions \times 3 hours).

VI. Homeownership Set-aside Program Applications and Certifications

FHFA estimates that Bank members will submit to the Banks an annual average of 13,455 applications and required certifications for AHP direct subsidies under the Banks' homeownership set-aside programs, and that the average preparation time for those submissions will be 5 hours. The estimate for the total annual hour burden on members in connection with the preparation and submission of homeownership set-aside program applications and certifications is, therefore, 67,275 hours (13,455 applications/certifications \times 5 hours).

D. Public Comments Request

FHFA requests written comments on the following: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of FHFA's estimates of the burdens of the collection of information; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on members and project sponsors, including through the use of automated collection techniques or other forms of information technology.

Shawn Bucholtz,

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Federal Housing Finance Agency.

[FR Doc. 2025-20123 Filed: 11/17/2025 8:45 am; Publication Date: 11/18/2025]