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Moderator: Welcome and thank you for joining today's conference, the Duty to Serve Virtual Listening Sessions. Before we begin, please ensure you have opened the chat panel by using the associated icon located at the bottom of your screen. If you require technical assistance, please send a chat to the event producer.

All audio lines have been muted until the pre-registered speaking session. At that time when your name is called, please press pound two (#2) on your telephone and turn on your web camera using the WebEx control located at the bottom middle of your screen.

To view the active speaker's video, on the top right of the WebEx presentation area, hover over the white circle and select the middle option labeled side-by-side view. With that, I'll turn the call over to Toi Roberts, Toi.

Toi Roberts: Thank you, Victor. Hello and welcome to the Federal Housing Finance Agency's Duty to Serve Listening Session on Rural Housing. I am Toi Roberts, a member of the Duty to Serve team, and I will be emceeing today's session.

We are so happy to have you join us here today and look forward to hearing your feedback on Fannie Mae and Freddie Mac's proposed modifications to their 2020 Duty to Serve plans, and proposed additions to their 2021 Duty to Serve plans.

Today, we will hear from 11 guest speakers and midway through we will have a 10-minute break. Each speaker will have up to 10 minutes to speak, and we will try our best to stay on schedule. I will chime in to give speakers a warning when one minute remains. We also ask that all speakers turn on their video web cameras during their speaking segments.

Before we hear from our guest speakers, each Enterprise will give brief opening statements and as we close, they will also give closing remarks. However, before we begin, I'd like to introduce you to the current lead of our Duty to Serve team, the Associate Director of the Office of Housing and Community Investment, Mr. Ted Wartell.

Ted Wartell: Thanks so much, Toi. Good afternoon and welcome, or to some of you welcome back to the last in our series of three Duty to Serve Listening Sessions on the Enterprises' proposed 2021 plans.

This session, as you know addresses Rural Housing. A couple of days ago, on Wednesday, that session was about Affordable Housing Preservation, and last Friday we covered Manufactured Housing.

I think everyone in this group knows the value FHFA and the Enterprises place on public engagement as part of the Duty to Serve program, and we have from the beginning.

We're very interested to hear your ideas about the best ways to reach these underserved markets and very much looking forward to your feedback today.

As with all aspects of life, this year the pandemic required us to make a lot of adjustments to Duty to Serve. We began the year, in fact, revising our evaluation guidance to emphasize the need for even greater impact in these underserved markets, especially through loan purchases.

And, we released that evaluation guidance on March 11th. FHFA, like many of you, began mandatory telework on March the 12th. So, under normal circumstances, the session would have focused on the Enterprises' proposed three-year plans for 2021 through 2023. However, given the challenges of planning and setting targets during this kind of uncertainty, FHFA instructed the Enterprises to prepare one year extensions of their current plans covering 2021 only. We sincerely hope to be convening listening sessions on three-year plans next year.

The pandemic-related changes also included some flexibility in how they structured their 2021 objectives. They could propose all new actions or simply add new targets to existing objectives. Under the circumstances, we didn't require them to update the market context or other language in the plan and we didn't require them to update their baselines, although in some cases they did do that. We did, however, continue to emphasize the importance of having impact in these markets, even under our current circumstances and continuing to focus on loan purchases.

Just a couple of housekeeping items, and I'll walk you quickly through, again, through the agenda today. First in a minute, I will hand off to Fannie Mae and Freddie Mac and they will provide some brief opening comments.

We have, as Toi said, we have 11 speakers today. Each one will have ten minutes. We do, that is Toi does, enforce that time pretty carefully to make sure that everyone will have time to present today. At the inclusion -- sorry, conclusion of this session, we've allotted ten minutes for Fannie Mae and Freddie Mac to respond to your comments.

Unfortunately, again, because of the time we won't be able to have Q&A today. However, again, I encourage all of you again to visit the Duty to Serve website and submit written comments to our RFI. Those comments are due today.

Just a word about what happens next after today, based on feedback from you and from FHFA, the Enterprises will both revise their proposed plans.

Moderator: Ted, your audio cut off for a second. Can you speak again? We couldn't hear you for a second.

Ted Wartell: Yes. Can you hear me now?

Moderator: Yes, we can hear you now.

Ted Wartell: Do you want me to start over? I'm just kidding. So just on the last point, in terms of what happens after today, we will, based on your input and input from FHFA, the Enterprises will revise those plans and resubmit those to the agency in the middle of November. And, we are working very hard to reach a non-objection on those plans, hopefully by the end of the year.

Lastly, just a reminder, this session is being recorded and we will make a transcript available on our website just as soon as we can. And, with that, I will turn it over to Dana Brown from Fannie Mae to provide a brief introduction.

Dana Brown: Great. Thank you, Ted and good afternoon, everyone. My name is Dana Brown. I'm Fannie Mae's Vice President of Customer Engagement and Multifamily, and I oversee that division's Duty to Serve activities.

I'd like to share with you a quick overview of what we've learned and accomplishments in the rural housing market, as well as ways we're continuing to build on that work, despite the many challenges of 2020. So, thank you for joining us here today and thanks to FHFA for hosting today's forum and facilitating this important conversation.

Toi, are you going to run the slides? There we go. If we could go I think two slides up, please. Perfect. One slide back. I'm sorry, go forward. I thought the single-family slide was first. There we go.

So, in single-family as a result of our focus on strategic partnerships to CDFIs servicing, high-needs rural communities became approved seller servicers. We will continue to provide support for operational capacity and try to build on the value proposition of conventional mortgage products within their respective markets.

In addition, in implementing significant policy changes, we were able to remove barriers to conventional lending for Native American Trust Lands, creating a handful of new homeownership opportunities year over year.

By working with both direct and indirect sellers, we've been able to better understand benefits of alternative delivery methods, such as bulk transactions. In 2020, we pivoted focus on the early impacts the pandemic had on rural communities as well.

Our targeted marketing campaign drove affordable product adoption among lenders and is now on track to exceed 2020 rural acquisitions by more than 30% over the 2018 baseline. And, then if we can move to the multifamily slide, whether it's forward or back. Sorry, I may have had them backwards. Great.

So, on the multifamily side, in terms of LIHTC equity in 2019, we invested in 98 properties in rural markets, including high-needs regions and properties that serve high-needs populations as well. In 2020, we're on track to exceed our investment goal in rural markets and have continued again to focus some of those equity investments and high-needs rural regions and serving high-needs rural populations.

We're very committed to being a consistent source of capital in rural and a steady and reliable presence in underserved markets both in rural and through Duty to Serve and broadly through our syndicated partnerships.

Again, in 2019, we began partnerships with national nonprofit organizations that deliver technical assistance programs focused on housing that serves these high-needs rural populations. To address the challenges of this market, a pillar of our strategy is really to devote resources to programs that increase the development capacity of organizations on creating housing for farmworker and Native American communities. And, that work has continued throughout this year.

In terms of loan purchases, last year we increased our production over the baseline by more than 40% in high-needs rural regions and by more than 100% on small multifamily rental properties in rural areas. We exceeded both of our goals in these underserved submarkets.

We've also deployed a number of tools and system upgrades to help our partners obtain greater visibility into rural and high-needs rural markets and into how we achieve our goals. For 2020-- I'm sorry, the next slide or the third slide for 2020 or 2021 rather.

So, in 2021 we really, we look to increase loan purchases and impact by building on several activities from prior years, including analyzing what was most successful about our lender interactions to inform our outreach efforts next year, by continuing to provide thought leadership and resources that support mission-driven lenders, supporting those markets that are not well-served by traditional lenders. And, addressing the challenges posed by COVID-19 head-on by identifying the unique risks brought on by the pandemic and taking appropriate steps to mitigate those risks.

For LIHTC, we will continue to deploy equity capital as we have this year. And, last to rural projects, our goal again is to remain a stable, reliable provider of capital in these areas.

In terms of technical assistance, this year presented really unique challenges for our technical assistance efforts due to the impact of COVID on both communities and housing development organizations.

But, the flip side of that is the pandemic also shed some light on opportunities for greater outreach and more efficient ways to connect in some instances. It's important that we remain responsive as changes occur in the way our business gets done with recipient organizations and we will continue to explore alternative strategies to grow and impact the scale of these partnerships. And, with that I will turn it back over to Toi.

Toi Roberts: Mr. Brown, I just want to apologize for your presentation slides. There was some confusion with your slides and so I do want to apologize. Now, we'll introduce our Freddie Mac speakers, Mr. Mike Dawson and Carol Thompson.

Mike Dawson: Hey thank you, Toi. Welcome everybody and particularly those of you who have watched or participated in all three of the listening sessions. I'm impressed by your fortitude and stamina throughout. But, these have been very valuable to Freddie Mac and the team of Freddie Mac. We have many, not only participating on the call, but also listening in on the call today. Very, very beneficial to our overall efforts here. I want to thank FHFA for bringing us together. Again, no small task over time here.

But, again, I'm Mike Dawson with Freddie Mac, Single-family Clients and Community Engagement Group on the community engagement side of things at Freddie Mac.

But, again, we value all of your support and all of your feedback related to Duty to Serve overall. The industry participation is in collaboration with all of you is essential for all of us to succeed in these markets, and particularly the rural markets specifically. And, we look forward to hearing from you and your participation in providing feedback and guidance relative to rural housing. Toi, if you could go ahead one slide, please.

Freddie Mac has embraced Duty to Serve as a core business element. And, as we've talked about before, it's the fabric of our business. It presents opportunities to us to serve many markets today as we talked through the rural markets in particular.

But, again, it's not just that we serve Duty to Serve, it is how we serve all of these markets and how we do it on a day-to-day basis. We've continually increased our commitments to these markets over time. And we've made significant progress throughout the several years we've been involved here and several years going forward here in all three of the underserved markets.

But, like I said before, we can't do this alone. We achieved a lot of this together with many of you on today's discussion. And again, can't thank you enough for that partnership, that guidance, and the impacts you have made in these markets, it’s certainly made a broader impact to our ability to provide financing opportunities and liquidity in many of these areas.

But, more so than ever, right, we've got an acute housing shortage across the country. It's felt even specifically hard in the rural markets themselves. Have you seen or may have seen from Freddie Mac’s research? We estimate there's about two and a half million unit shortages of homes across the country needed for family formation and needed for those looking for a home. That is not going to be solved anytime soon, but looking for innovative ways, other ways of providing financing, other ways to reaching and helping borrowers be successful homeowners is what we’re all looking to do.

As we go through the discussion today, I do want to point out one of the key aspects, actually it was pointed out in an April 2020 paper by the Housing Assistance Council, is that the need for consistent data and the need to help drive further research in order to make an impact in these markets is a much-needed outcome of all of our efforts in this space. And, in order to guide impactful programs and guide investments in these markets, research data go hand in hand in providing those solutions.

And, I do want to point out Freddie Mac's upcoming Rural Research Symposium here in November, is one of those areas that we make impacts of using data and research to make change in specifically rural markets themselves is driving us forward. So, with that, I want to turn it over to my colleague, Carol Thompson, to go through some of our accomplishments in previous years in going forward. Thank you.

Carol Thompson: Thanks, Mike. Good afternoon everyone. My name is Carol Thompson and I'm honored to be your representative of the Freddie Mac Duty to Serve team today.

Our year one, year two progress slide is vibrant; it's dynamic, it's really representative of the effort and energy being placed in increasing liquidity to underserved markets. For us being on the front lines of the housing market, we spend our time developing and refining offerings with a firm understanding that we really do have a lot more work to do.

Despite the uncertainty the pandemic has introduced this year, our focus continues to be on building and expanding sustainable business for underserved markets, while attracting additional private capital through our risk transfer business, as we continue to be good stewards of public trust by minimizing risks. Through our efforts, we're making a difference today in laying the foundation for even greater impact for the future while keeping safety and soundness.

Since the start of the Duty to Serve program in 2018, single-family and multifamily, we've increased our loan purchases and liquidity year over year. We have provided $18 billion in liquidity and have helped to provide a total of 163,084 units combined. And, the $18 billion supported 70% low-income homeowners and 99% low-income renters. For us, each unit represents potentially a life-changing opportunity in at least one person or one household that has been impacted. And, this may not have happened without GSE involvement.

We achieved 31% increase in unpaid balance, which is significant and motivating to us as we continue the journey. We have taken the foundation we've established in the first two years by creating 35 different offerings, tools and enhancements. In year three, along with 2021 plan, you'll see that we're focusing a lot more in buying loans, expanding assets to credit responsibly, investment research and outreach.

This year, year three, we shifted some of our attention to supporting people affected by the pandemic. And, we continue to provide countercyclical support when most needed. Being that this is day three, I'm sure that some of you have already memorized the stats that I have just provided. But, for those of you that are joining us for the first time, these numbers really speak to what we have been able to accomplish in partnership with our FHFA team and you, our constituents and industry partners.

All of us here today know the rural market is challenging and often lacks infrastructure, such as good access to medical, education, stable employers. And, these essential components in the absence, making mission deals a lot harder. But, the Freddie Mac team, we are determined to make the most of the available resources.

Specific to rural market, we provided $2.1 billion to finance more than 19,000 homes and invested $122 million supporting 762 units based off of -- based out of our $500 million LIHTC equity annual cap. The percentage of the rural properties that we invested in is greater than the national average when compared to the data from the National Housing Preservation Database.

The demand for affordable housing was strong before the pandemic when unemployment was below 4%. But we know that demand is even stronger. With this in mind, as Mike mentioned, single-family, the team has added a 2021 purchase target in high-needs rural regions. They've enhanced guidance around property appraisals, income calculations for seasonal and non-traditional work weeks. We also established a partnership with NextJob, a reemployment solutions company, to really help homeowners in high-needs regions with home possible mortgages who are struggling financially because of job loss.

We also continue to, as Mike mentioned, the Rural Research Symposium, which brings together leaders across the housing ecosystem to exchange insights and promote collaboration that could potentially lead to a lot more innovation and market solutions. So, like Mike, I will take a second to plug it in, plug that -- the event, which is happening next month, November 9th and 10th.

As a representative of the multifamily team, we’ve looked at the greatest -- where the greatest needs really truly existed and we've used our platform and lifetime equity cap allocation to support rural areas most in need. And, so for this reason, we've added an investment target of 5 to 50 units for 2021.

We also developed a mapping tool that makes it easier to draw attention from private sector to the areas losing units. And, we've made enhancements in the past two years.

We also continue to publish research. And, you know during the Wednesday session, Affordable Preservation, we heard from many of our presenters that our research has been valuable. And, in this session, you know I ask you to please let us know what else you would like to see in terms of research and how we can build upon the papers that we've actually published. We really look forward to listening to you in the next two hours. Thank you for the attention and I turn it back over to you, our industry partners.

Toi Roberts: Thank you, Carol. Now we would like to introduce our first guest speakers, Mr. David Lipsetz and Lance George on the Housing Assistance Council. Mr. Lipsetz and Mr. George, please press pound two (#2) on your phone and turn on your webcam.

David Lipsetz: Hello, this is David Lipsetz. Can you hear us?

Toi Roberts: Yes.

David Lipsetz: Great. Thank you very much. I'm David Lipsetz, here on behalf of the Housing Assistance Council and we do really appreciate the opportunity to comment on Duty to Serve as the Enterprises consider modifying their 2020 plans, and look to set goals for 2021.

HAC is, I imagine as most folks on this call know, we've been building homes and communities across rural America for 50 years. We work in all 50 states and our goal is to build capacity of local rural organizations that are working on homes in their communities.

We do it with technical assistance, training, information services, and below market financing as a certified CDFI. We also serve as rural America's information backbone with leading public and private sector institutions like those on the phone today relying on our independent, nonpartisan research and analysis to shape policy.

As I think you know we're a strong advocate for Duty to Serve. And, if nothing else, I want to get across today that we really appreciate the time and effort of the staff at FHFA, Fannie Mae and Freddie Mac to implement these underserved market plans.

You're really fantastic partners. You're committed to serve. You understand the markets and you're willing to seek solutions. And, it's just been great over time.

Yet, I would be remiss to not say that here we sit 12 years after the passage of HERA with the vision of Duty to Serve largely unfulfilled. I've yet to see a single study of ours or others that shows the law substantially increase the volume of originations in high need rural places, or brought a measurable rise in rural bank liquidity or rural home values.

At this point, we are working incrementally with small changes. If one needs to go that full mile that Fannie and Freddie staff both so adequately described so well in their introduction, then we really need to stop setting marks that are only an inch or a foot forward.

We've got a good law in place, right. We have highly capable staff at the agencies. Industry organizations and advocates are lined up supporting. So, why aren't we succeeding to a great degree? I assume it's partly because we have an economic system that is potentially efficiently able to distribute opportunity but has seen really 60 years of consolidation and concentration of resources in suburban and urban places, often amongst the privileged few.

But, it's also that our collective approaches have been too incremental. We've set no big goals and we've tried no big investments. Yes we're in, I think what is it, year three for us. So, we are learning to walk, and we love doing that with our partners. But, we really hope that the institutions and the legislative process puts bigger demands on us to achieve more. Secondary housing market policy has been a historic part of the system that's delivering vastly different outcomes to people depending on where they're born. That is the industry in which all of us work. And, the inequity must be addressed.

HAC sees Duty to Serve as a social justice issue, as you can hear in my comments. In an era which racial and economic inequalities are top of the fold news stories, we can use Duty to Serve to go past these minimum promise levels of loan purchases and try to fundamentally shift the lives of Black, Hispanic, indigenous, and persistently poor families.

The core of our work for five decades has shown us that even the most challenged rural places are largely creditworthy and ripe for investment and that provided the relationship building and understanding of rural places we can succeed.

Three quick points to address. We do believe in the strong partnerships that Fannie and Freddie are forming with organizations that we have CDFIs and other national nonprofits who are working in these communities. We know these communities. And, it's crucial to the success to strongly support that.

We've heard that there may be some pressure from FHFA to the GSEs to reduce the number of SOWs in the amount of investment in this work. That would be antithetical to the statute. It would go against the regulations. And, it would be against the interest of not just Fannie, Freddie, and the organizations we're talking about, but the communities we're trying to serve.

We need to build and expand those partnerships more than ever. The pandemic is straining local resources and local nonprofits and we need to invest in the organizations that can deliver to their capacity.

We also would encourage that the 2020 plan modifications should only be made when absolutely necessary. For example, Fannie Mae proposes to eliminate or decrease multiple manufactured housing purchase goals and USDA multifamily purchase goals. Most indications are that the housing markets are robust, that there is a significant amount of investment occurring. This is not a time where we should use the pandemic as an excuse to back away from these goals. We have a market that can be served. We have the tools to do it. Please, do not modify plans unless absolutely necessary in the face of today's public pandemic.

So, we also want to encourage some more ambitious purchase goals for 2021. You'll see that the Enterprises should consider building on their hard work by further expanding these goals, getting rural tailored products on the market, and generally outreaching to the communities.

The need for access to capital is still present and growing in many rural places. And, the next set of plans is an opportunity to address those challenges. We can have more robust purchase goals. We can have positive results from Duty to Serve. However, it also indicates that more ambitious goals might be appropriate for 2021.

So, I turn it over to Lance George from the Housing Assistance Council to address some of the specifics in the data and others. I would just say that we're not looking to see a few thousand more loans purchased. We appreciate that that might represent a 100% increase in this or that category. We want to see every loan that can be purchased end up in the hands of the GSEs, so that we build markets that have been historically underserved. Lance.

Lance George: Thanks, David. I really only want to add a couple of specifics to some of those comments that David made and really, we only have a few minutes, we have very limited time. So, we did want to highlight that we will be submitting detailed comments. All three of the markets and provide much detail for this in particular to help understand the other two markets.

But, I just wanted to reiterate, it's already been mentioned a couple of times, but we wanted to reiterate because it's been a focus of HAC's work over the last nine months. And, COVID-19 will likely impact rural and underserved markets differently. And, also exacerbate long-standing inequities.

While there are many uncertainties, you know, this evolves on a daily basis. And, unfortunately this week we just passed the one million case threshold in rural communities. And, there have been more than 23,000 associated deaths. And, we candidly believe that is obviously an undercount. So, it's very important in these communities that we don't lose sight.

HAC is encouraged by the Enterprises' attention to COVID, but also underscores the likelihood that COVID, while it came later, it could stay longer, and the impacts could be much different. Candidly, some of the high-needs rural markets are some of the most impacted, having some of the highest infection rates nationally. And, then we also have the inverse where we have some communities that have some of the lowest rates. So, it's a difficult landscape.

But, what we want to reiterate is that Duty to Serve is probably more important than ever with this specific element. And, we are willing to assist and help the Enterprises and FHFA in this space.

I would like -- we would also encourage the Enterprises and FHFA to continually improve or work to continually improve Duty to Serve. And, a good example is the Colonias definition presented within Fannie Mae's market plans. As many of you know, in the final Duty to Serve Rule, most of the high-needs markets were relatively well-defined and which allowed for better targeting and better research and understanding. But, that was really not the case with the Colonias. It was somewhat vague and left up to the Enterprises.

So, HAC supports, you know, the work by Fannie to better identify and understand Colonia markets with the goal of enhancing access in that often overlooked community. So, we think that for all of the markets, but we particularly support this particular work.

HAC believes, and I know, I'm going to reiterate what Mike said earlier, but we will say this probably in every comment letter, because we believe it. We believe with the release of more data can enhance Duty to Serve and safety and soundness and improve the mortgage products.

Candidly, we just think that for HAC and others to engage education and advocacy and work, we need more transparent and more specific data.

And, then finally, we're probably running up against time, but HAC encourages one or two other elements. HAC encourages an internal plan oversight consolidated to improve efficiency at each of the Enterprises. It's been our experience and while they may have internally it's different --

Toi Roberts: Less than one minute remaining.

Lance George: It's been that the approach to Duty to Serve is also -- or Duty to Serve is often segmented by the lines of business, which lacks coordination. And, we believe that to help improve a more coordinated and synergistic approach, HAC recommends and encourages that both Enterprises establish a dedicated coordinator or coordinating team to provide more comprehensive and holistic approach to Duty to Serve.

I think that concludes our comments today. Again, we are presenting a detailed comment letter to FHFA today. We appreciate you hosting this session. And, as always, we are willing to help all entities involved to help improve mortgage access in rural communities and improve just rural communities generally. Thank you.

Toi Roberts: Thank you, Mr. George. Now introducing our next speaker, Mr. Garth Rieman from the National Council of State Housing Agencies.

Garth Rieman: Thank you for holding these listening sessions on Fannie Mae’s and Freddie Mac's underserved market plans. We thank FHFA and the Enterprises for their efforts on the Duty to Serve program, including their sensible adjustments in the process this year due to the COVID pandemic. It's nice to talk to you again today. I hope you aren't getting too tired of seeing me.

I appreciate your attentiveness during these sessions and efforts on Duty to Serve. The National Council of State Housing Agencies is pleased to have this opportunity to deliver these remarks to FHFA and the Enterprises on behalf of the state HFAs it represents.

States created HFAs to provide affordable mortgage financing for homeownership and rental housing in all areas of their states: urban, suburban, and rural. HFAs serve states with rural areas and have developed particular expertise in meeting the unique needs of rural markets.

Many states have set-asides or selection criteria or other program parameters to channel assistance to rural areas. As state-chartered, public mission entities dedicated to financing the housing needs of rural populations and communities, HFAs are natural partners for Fannie Mae and Freddie Mac, as they work to achieve their Duty to Serve obligations.

Reflecting this natural partnership, both Fannie Mae and Freddie Mac have been working with HFAs or through HFA programs to execute their Duty to Serve plans. The Enterprises' programs and activities have provided significant benefits to state HFAs by enabling them to increase their affordable homeownership and rental housing activities in rural and other areas.

In turn, the Enterprises' partnerships with HFAs that helped the Enterprises fulfil their underserved market plans and affordable housing goals. In one such initiative, attractive pricing and terms led to strong growth in HFA use of Enterprise single-family mortgage products in rural and other areas.

Much of this progress has been reversed because the Enterprises withdrew those pricing advantages. We urge the Enterprises to restore the pricing advantage for their HFA products at least for moderate-income borrowers living in rural areas.

As Fannie Mae and Freddie Mac continue working on their rural Duty to Serve obligations, we encourage them to continue to seek out opportunities to collaborate with HFAs and to continue the outreach to and communication with HFAs and NCSHA on expanding their partnerships with HFAs.

In addition, we urge the Enterprises to continue to strive to increase their single-family loan purchases in rural regions. We appreciate FHFA awarding the Enterprises' Duty to Serve credit for making housing credit investments in qualified rural areas and support their plans to continue these activities. Housing credit investments are one of the Enterprises' most helpful strategies for serving the housing needs of rural Americans.

The Enterprises' credit investments are particularly helpful as the market continues to adjust to recent tax changes and copes with COVID-related economic shocks. Rural project sponsors often get lower prices for housing credits and face more difficulty finding affordable financing than properties in other areas. So, Enterprise investments can make a significant difference for these properties in the areas in which they're sited.

We support the Enterprises' intent to increase the amount of their housing credit investments in rural areas and encourage them to do even more if possible. The Duty to Serve Rule allows Fannie Mae and Freddie Mac to receive credit for the purchase of tax-exempt housing bonds, both multifamily bonds and single-family mortgage revenue bonds.

We urge FHFA to allow Fannie Mae and Freddie Mac to purchase housing bonds. This would help the Enterprises make a bigger impact in all Duty to Serve areas, including rural regions.

It appears that Freddie Mac is withdrawing its proposal to purchase loans to preserve properties with USDA Section 515 debt in high-needs rural regions, at least in the short term. We encourage Freddie Mac and both Enterprises to work hard to support 515 preservation projects. Maturing mortgages and other circumstances make preserving this stock very important and the difficulty of securing such preservation makes the Enterprises' concerted effort vital.

We also recommend the Enterprises work with HFAs to develop other new products and initiatives to expand credit to rural borrowers. I'm confident that adopting these ideas and focusing on these strategies can help HFAs and the Enterprises better address rural housing needs.

Thank you for the opportunity to share them with you today. We and our member HFAs look forward to continuing to work with you to define and fulfil the Enterprises' Duty to Serve plans. That concludes my remarks.

Toi Roberts: Thank you, Mr. Rieman. Introducing now our next speaker, Colleen Fisher from the Council for Affordable and Rural Housing. Ms. Fisher, can you unmute your microphone?

Moderator: Ms. Fisher, please press pound two (#2) on your telephone. Please go ahead.

Colleen Fisher: Can everyone hear me?

Toi Roberts: Yes.

Colleen Fisher: Thank you. Thank you very much for the opportunity to appear before you today and appreciate being able to give some remarks regarding the Duty to Serve. The Council for Affordable and Rural Housing, also known as CARH, has been in existence since 1980. And, we represent the interest of for-profit, nonprofit builders, developers, managers, owners, and suppliers of affordable rural rental housing throughout the country.

And, as a result of that in the rural areas, there continues to be even more acute need for affordable and decent rental housing. Rural housing is dependent on several sources of funding for construction and preservation of the existing housing stock. And, many of the issues that I'm going to raise have been discussed by previous speaker, Garth and also David. But I'd just like to re-emphasize some of the issues that we see as paramount and very important for the rural industry.

The housing credit, as well as the private activity bond programs, are vital sources of funding for this important segment of the affordable industry. The housing credit program has allowed multifamily housing providers to utilize energy-efficient housing developments to meet the needs of rural renters throughout the country.

We appreciate Fannie Mae and Freddie Mac's commitment to re-entering and participating in the equity side of the housing credit program. We support the proposed modifications to Freddie Mac's 2020 plan to introduce tools that will identify housing credit in Section 8 properties, and the need of preservation in rural high need areas. These areas, as has been said before, are often overlooked and creating tools that will assist in identifying these areas is a critical step towards bridging the financing gap.

Our members are reporting that as a result of COVID-19 issues in many areas, construction costs are increasing. I mean, that's all obviously the same throughout the entire affordable housing industry, but in rural areas that's particularly the case.

Many of the plants may be closed, as some of the factories obviously closed. And, that has increased construction costs. And in addition, because of the low-interest rates, the housing bond program, which is vital for rehab and capital improvements, because of the 4% level, it's causing many transactions across the country to be experiencing some financial shortfalls as they begin to try to close some of the transactions and begin construction preservation.

We are encouraged to see the GSEs' commitment to greater participation in the housing credit investment and the purchase of housing credit loans. And, as I just indicated, the housing credit is a critical tool for preserving the supply of affordable housing in rural areas.

We would, however, ask that Fannie and Freddie re-examine ways to provide credit on the lending side, USDA rural development, rural rental housing program. Specifically, we would ask that both extend credits to the Section 538 Guaranteed Loan Program and to support loans and a senior lien position to existing Section 515 direct federal lines.

To that end, we respectfully request that the GSEs reconsider their decision to remove the Section 515 loan purchase and outreach from the evaluation criteria and remove the objectives to develop an offering for the purchase of Section 538 loans from the 2020 plans.

The Section 538 program has consistently been budgeted at $230 million. RD has not been able to fully utilize the program in prior years. But, expanding the secondary market support for the section 538 programs will help facilitate full program use to meet demand and for affordable credit and increase the production and preservation of affordable housing in rural areas.

We understand that there have been some structural issues between typical Fannie and Freddie loan security structure and the structure required by rural development within the 538 program. We hope that some of those issues can be resolved.

And, I would just again thank you very much for the opportunity to participate and to present some additional views and reinforce some of the other comments that have been made by the other speakers so that the GSEs can further help in the preservation and construction of rural housing, and enhance rural development in communities throughout the country. Thank you very much.

Toi Roberts: Thank you, Ms. Fisher. Now introducing our next speaker, Ms. Sara Morgan from Fahe. Ms. Morgan, please press pound two (#2).

Sara Morgan: Good afternoon. Am I coming through okay?

Toi Roberts: Yes.

Sara Morgan: Thank you. Good afternoon. My name is Sara Morgan and I serve as the COO of Fahe, a $250 million regional CDFI serving Appalachia, one of the five high persistent poverty regions of the U.S.

I'd like to thank FHFA for the opportunity to address the Enterprises' underserved rural market plan. I would be remiss if I didn't express my gratitude with the Enterprises' genuine interest and efforts to reach people in communities in the most impoverished and hard to reach parts of the United States.

My comments are toward how the Enterprises direct attention to the persistent poverty counties of our country. Of the 395 persistent poverty counties, eight out of the ten persistent poverty counties are non-metro and home to nearly $7 million people.

There's a real strong value proposition that we believe in. The GSEs bring liquidity to the housing market at scale, and CDFIs are created to drive capital into markets where they do not naturally flow, so we can create a very unique partnership together.

I want to address comments in four specific areas. Regarding single-family, we have two suggestions. We would like to ask that the FHFA allow the GSEs to create a CDFI preferred product, much like the FHFA preferred product. Allow exceptions from income limit decreases in high rural needs persistent poverty areas. These exceptions would be warranted largely due to the low area medium incomes of these areas.

The second item is a barrier we are trying to overcome is creating enough scale from the CDFIs to make delivery to the Enterprises make financial sense to us. Maintaining enough CDFI partners, but not too many with very little volume.

So, we believe a single-family platform or a broker network across all the persistent poverty regions could support aggregating institutions to build delivery capacity in persistent poverty regions.

Regarding multifamily delivery, creation of multifamily housing in rural persistent led poor areas of our country is made more difficult because of the small size of deals, pricing inequities compared to urban and more fluent areas, and developers are not incentivized to go into these communities.

Working with the CDFIs, who have a track record of putting together deals via serving as turnkey developers, we are able to connect local boots on the ground to technical expertise to design projects. Knowing that there's consistent, stable funding from the GSEs would enhance our ability to further penetrate this rural market. Examples, such as the Low-Income Housing Tax Credit QAP set-asides and basis boosts would help the GSEs could make the case to state FHFAs for using these tools to reach high-needs rural persistent poverty areas.

The third point I'd like to talk about is equity. The GSEs are able to purchase funds, but if they had the ability to make an equity-like investment into CDFIs, regional CDFIs, national CDFIs, that would enable those CDFIs to take a credit risk the GSEs are not interested in, and go deeper into the market.

Regarding the fourth area of research is the GSEs could work with and research CDFI loan performance, we are part of Partners for Rural Transformation, six CDFIs serving communities of persistent poverty across the nation. We could provide data on the research -- the performance of loans that we've originated and/or serviced and the GSEs could research whether these loans performed better than their traditional risk indicators suggest they should.

We also suggest that it would be possible to research past Low-Income Housing Tax Credit fund performance to demonstrate that targeted high-needs rural persistent poverty areas funds perform as well as, or no less risky than traditional funds.

I’d like to address three additional areas of concern. The proposed adverse market fee that is scheduled to go into effect December 1, 2020. From what I understand, the fee will be 50 basis points charged on a delivery date. Some lenders might already begin incorporating the fee in October and November for refinanced loans that are in process.

The fee does not apply to loans less than $125,000 or HomeReady or HomePossible refinanced loans. Although, FHFA noted this is intended to assist to offset the $6 billion in losses Fannie and Freddie have incurred to loans in forbearance due to COVID-19, this cost will more than likely be passed on to the individual borrower.

The second item is the impact of the -- you know we’re concerned about the impact of the election, of the next Administration, and how will an approach to the exit of the conservatorship, or will there be continued support for Duty to Serve.

And, lastly, the impact of a tightening credit market that will disproportionately impact low and moderate-income borrowers with lower credit scores and inhibit their ability to take advantage of historically low-interest rates. As they forego opportunities to purchase during this period with lower interest rates, when they do purchase with higher interest rates, or are not able to purchase at all, this will continue to contribute to the growing wealth divide, both racial, ethnic, and gender wealth divide as well.

Lastly, I would like to end with a tangential comment, if I may. It could be due to an opportunity that we see. Duty to Serve was intended to drive Fannie and Freddie to serve geographies and people who are not well-served by the conventional mortgage market.

We have a huge homeownership gap in our country as all of you know. And, this homeownership gap continues to contribute to economic inequality. This is why it's so important for FHFA to encourage Fannie and Freddie to serve rural areas as part of their Duty to Serve plan.

There's also another GSE, the Federal Home Loan Bank System, that's an underutilized large resource. They could also help close the homeownership gap. FHFA should also be looking at how the Federal Home Loan Bank System supports affordable ownership in exchange for government backing.

The Federal Home Loan Bank System allows CDFIs to be members and should be encouraged to create unique partnerships with CDFIs to reach deeper into underserved markets. Thank you so much for asking us to be a part of this listening tour. Thank you.

Toi Roberts: Thank you, Ms. Morgan. Introducing our next speaker, Ms. Chrystel Cornelius from Oweesta. Ms. Cornelius, please press pound two (#2) on your phone. Go ahead.

Moderator: Please go ahead.

Chrystel Cornelius: Wonderful. Am I coming through?

Toi Roberts: Yes.

Chrystel Cornelius: Thank you. Hello, good morning, afternoon, or whatever time zone we are in. I would like to also take the opportunity to thank FHFA, Freddie Mac, and Fannie Mae for putting together this Listening Session and allowing responses and comments to the Duty to Serve program.

I would also like to specifically thank and address the Duty to Serve program in regards to specifically highlighting within this plan, furthering partnerships, and extending reach of services to Indian country and tribal nations.

As we all know and looking at the paradigms of rural communities and our respective communities in which Duty to Serve is particularly targeting, Native communities have been resource-deprived in many measures for, you know, generations upon generations. So, having a specific intent to really further those relationships and capitalization efforts is really appreciated on behalf of our nation.

My name is Chrystel Cornelius. I am the President and CEO of Oweesta Corporation. We are a $40 million national CDFI intermediary lender, who over the last 20 years of operations have solely focused our efforts on Native CDFIs and communities across the United States, Alaska, and Hawaii.

As the longest-standing Native CDFI in the nation, we've really walked hand in hand with our Native CDFI industry. In 1999, we had two certified Native CDFIs. Today, we have over 69 and 30 emerging. So, in looking at opening capital markets, Native CDFIs really have been and are leading the charge in changing private sector economies, advancing homeownership, and providing populations and people in upward ladder to mobility that had never been seen before their creation.

And, in particular, and what we'll be talking about as well, or I'll be addressing in relation to Indian country is these organizations really have become and are foundational pillars and are advancing homeownership opportunities at alarming rates. And, that's simply because our markets are ready. We are now within a context within tribal nations across the United States, are really looking for that stakeholder chip for ourselves, for our communities, and having the ability to build assets like the rest of America enjoys.

As we know, Native Americans tend to be some of the most underserved, impoverished minority populations in the country. The Native American Housing Council estimates that the homeownership rate in Indian country is about 33% substantially below the national average. And Native Americans are four times more likely than the average American to live in substandard living.

So, challenges to mortgages in Indian country are well-documented and recognized by both GSEs and FHFA, to include each tribe really has a unique structure, governance, culture, history, and identity. We have over 574 federally recognized tribes in the United States. And those contexts are much different in regard to all of those particular areas I mentioned.

There's legal complexities, of course, involving Native American land, particularly for federally restricted land, trust land, and a lot of lands. Housing on reservations can be in substandard condition.

Overcrowding is high. And, the mortgage lending process can really be confusing and overwhelming compounded by a lack of understanding of the home purchase and ownership process.

And, you know, first and foremost really what we look at is conventional lending is nearly non-existent, leaving many of our tribes to rely on government programs to finance home purchases or refinanced transactions.

What we're really finding and what I'm very excited about in regards to Indian country at large in participating in the homeownership space per se, is we really have been building up the capacity both the financial capacity, the financial education, and capacity building of organizations specifically Native CDFIs to be able to participate more readily with the GSEs and FHFA in these financing endeavors.

And as always, we have cultural considerations which not necessarily can act as a hindrance to mortgage opportunity within Indian country, but it's something that certainly is addressed within the confines of those respective communities.

So, Duty to Serve provides specific opportunities to Native communities, tribes, and institutions who have a stake in furthering homeownership opportunities across Native lands. The benefits of these initiatives include tapping into potential liquidity to the housing market at scale for Native nations through GSE collaboration.

Our Native CDFIs again are the pillars of financial stability and financial opportunity, with more than half of our Native CDFI industry already offering loan products that facilitate homeownership opportunities, such as down payment assistance, home re-habilitation products and many Native CDFIs are already providing mortgage products to their respective tribal community members.

Again, when we look at CDFIs in the industry as a whole, the beautiful thing about our operations and what we're able to do and manage risk well, we drive capital into markets where it doesn't naturally flow.

And, there are many useful and innovative strategies as part of the Duty to Serve plan that were specific to Indian country. The initiatives we specifically found especially valuable for Native country within the plan, included increasing home buyer access to education resources and members of federally recognized tribes, enhancing technical experience within Indian areas, and increasing loan purchases from small financial institutions serving rural regions.

Recommendations specifically. Of course in looking, and especially at this time of this pandemic, the continuance of Duty to Serve and having a dedicated program that enhances liquidity, that enhances technical assistance, capacity building in rural regions throughout the nation that really need it the most, and more so,it's not a matter of need in my mind, they are deserving, they are creditworthy, we just need to build the outlets to further capital streams, flows, and opportunities.

So, in looking first and foremost, our recommendation at Oweesta would be to continue the Duty to Serve program and really coordinate within our organizations as we have through the last three years.

And, I'd like to make a particular note. I have to say that it has been such a joy to work with both GSEs, Fannie Mae and Freddie Mac. Every one of their staff, in particular Kellie Coffey and Kelly Marrocco, and Maheen at Freddie, have been incredibly respectful, completely engaged, and have worked so very hard within their respective areas in Duty to Serve.

And, that has not been a miss to Oweesta or to Indian country at large. So, I'd like to just take that moment to recognize, we're working together and doing the best we can in this measure.

And, as well in looking at recommendations, furthering the capacity building and capital efforts within these initiatives. Capacity building and training efforts promote and grow low-income communities and it’s essential. Oweesta has been honored to partner with the Duty to Serve in furthering capacity building efforts for Native communities with partnerships and support instituted by the Duty to Serve programs.

Specifically, for the first time in history throughout Native nation, we were able to, with the help of Freddie Mac, produce a youth Native financial education curriculum designed to plant the seeds of homeownership in Native communities. And, now we have that curriculum instituted in hundreds of tribal schools and programs throughout the United States.

We also were able to create the Native CDFI HUD housing counseling network. That was supported by Freddie Mac. And, that was designed to support Native CDFIs in one of the most persistent challenges to homeownership that plays in our realms, and that's homebuyer readiness.

So, with creating this HUD housing counseling network, Oweesta has been able to form the first cohort, which is a cohort of Native CDFIs becoming HUD-certified counseling agents and being able to participate in those further regions.

And, we also have a wonderful partnership, of course, from Fannie Mae. And, specifically looking at what we're really excited about now is capacity-building efforts and we're supporting a cohort of Native CDFIs to support their access to secondary market opportunities. So, with this cohort and the collaboration with Fannie, we're able to help Native CDFIs become NMLS licensed and ready to participate in the secondary markets.

So, when we look collectively at initiatives within the Duty to Serve and what we've been able to accomplish this far, we have reached thousands of tribal members. And, we're really working with those institutions and pillar organizations within the grassroots level, I believe, to try to enhance these resources and essentially promote homeownership across Indian country.

One of our greatest challenges I found were modeling various investment models that facilitated advanced capital resources directed to Native communities for homeownership advancement.

So, as far as particular recommendations to Duty to Serve in relation to Native nations in Indian country, as you continue to develop the Duty to Serve plan, we encourage GSEs to support tribal sovereignty by eliminating any unnecessary MOU requirements with tribal nations.

As our partner, Fahe just shared, we would likewise recommend creating a CDFI preferred product. Native CDFIs went 75% of their housing loans on tribal lands last year with a preferred product. They stand positioned to lead the charge for homeownership opportunities across Indian country.

Also, allowing GSEs to offer affordable products to over-income borrowers on restricted tribal land. These products were originally designed to meet the needs of underserved communities and the flexibility to use these products with borrowers of all income levels, including those over 80% of area median income would allow the GSE to better serve areas targeted by Duty to Serve. And, especially Native Americans who experience many barriers to ascertain affordable mortgage capital, make equity investments into CDFIs, if we were able to come up with a model that we were both comfortable with the ability for our organizations, which has proven again and again to leverage additional resources that could be a game-changer within our communities.

Toi Roberts: One minute remaining.

Chrystel Cornelius: Continue to invest in the Native CDFI capacity building for secondary market access in order to take advantage of this emerging market. And, we have this highlighted within several of our previous comments as well, but data and the mining of data and collection of data is incredibly important, especially to Native communities in which we find generally data tends to be scarce.

And, when looking particularly at homeownership rates and what we're seeing going on within the realms of access to mortgages, we would like to make the recommendation that HMDA data should identify whether a loan occurred on or off-reservation land.

We know that a majority of our lending happens on reservation lands, and the ability to collect that data would really help build a case for further capitalization within our respective communities. And, HDMA loan records should also specifically identify Section 184 loans from within the conventional loan category. This tends to be one of the highest utilized loans for Native Americans who wish to --

Toi Roberts: I'm sorry, Ms. Cornelius. Your time has expired.

Chrystel Cornelius: -- and direct loans from government agencies like --

Toi Roberts: I'm sorry, Ms. Cornelius.

Chrystel Cornelius: -- they should be recorded to HMDA. Yes?

Toi Roberts: Thank you.

Chrystel Cornelius: So, with that, I thank you for your time.

Toi Roberts: Thank you, Ms. Cornelius. Right now, we are midway through, so we're going to have a 10-minute break before introducing the next guest speaker. It’s 2:10 p.m., so we will resume back at 2:20 p.m. Thank you.

[1:09:58 - 1:19:51 BREAK]

Toi Roberts: Hello and welcome back to the Duty to Serve Listening Session for Rural Housing. We're now going to introduce our next speaker, Ms. Suzanne Anarde, at the Rural Community Assistance Corporation. Ms. Anarde, you can begin.

Moderator: Ms. Anarde, please press pound two (#2).

Suzanne Anarde: Okay. Can you hear me now?

Toi Roberts: Yes.

Suzanne Anarde: Okay. Thank you for this opportunity. I am honored to be here and with my esteemed colleagues who have gone before me. My name is Susanne Anarde and I am the CEO of RCAC, Rural Community Assistance Corporation. We serve rural and indigenous communities and residents of the Western 13 States, including Alaska and Hawaii. RCAC is a regional CDFI.

We serve 7.5 million or 30% of the persistent poverty population in this country. Of this population, nearly half are women. Additionally, 63 of our service area counties are classified as persistent poverty child counties. And, the average poverty rate in our Native communities within our footprint is over 30%.

We are a steering committee member of the Partners for Rural Transformation. We strengthen local economies, generating local wealth that stick and build power among those living in some of the most disinvested parts of the country.

I appreciate the opportunity to address the GSEs today. The concept of Duty to Serve and the recognition of the need for capital to support homeownership in these underserved communities and regions is innovative and much needed. Of the 395 persistent counties in this country, eight out of ten are rural and/or Native. This is personal for me. Rural is my culture.

We appreciate the GSEs' efforts and intentions in reaching rural and Native communities. The individuals we interact with at Freddie and Fannie are sincere in their intent and commitment. And, I would like to acknowledge that and also express appreciation for their openness.

In terms of recommendations for consideration in 2021, some of my recommendations echo my colleagues. Although, I think it is important for the GSEs to understand the depth of the impact that these recommendations would achieve, nationwide and persistent poverty communities.

Regarding single-family, the creation of the CDFI preferred products with allowances for exceptions and income limits in high-needs rural and persistent poverty areas, would be a huge boost to single-family mortgages in rural and Native communities. As Chrystel from Oweesta shared, low-income area, median-income in rural and

Native persistent poverty areas should not be a further barrier for homeownership.

The second thing I'd like to say is scaling mortgages for delivery to the GSEs continues to be challenging. Creation of a broker network that supports aggregation or bundling of mortgages from persistent poverty regions would allow for scale and financial feasibility for the GSEs.

In the multifamily arena, developing multifamily housing in rural and Native persistently poor areas is not an easy proposition. If it was everyone would be doing it, right? The need for multifamily housing is immense, but the sizes of complexes are small, which affects pricing and our competitiveness for investors.

The Enterprises could lean in here and have tremendous impact by creating a dedicated persistent poverty investment fund, whether proprietary or with other investors, having a dedicated fund rather than banking on the whims of investor appetite and perceived risk assessments would enable CDFIs and other nonprofit developers working in persistent poverty regions. It would empower us to move forward with deals that might not otherwise happen.

RCAC leverages our cap CDFI capital magnet funding to provide subsidy to multifamily communities in our persistent poverty communities, which furthers this initiative.

I have some key points that I just want to share. I truly believe, and I think it's been proven, that working with and through rural and Native CDFIs is key for the GSEs to increase impact and investment and fully meeting the intent of Duty to Serve.

Echoing HAC's comments on research, we need, and you need, the data on CDFI and low-income housing tax credit fund performance. Absent this data, the perception of increased risk in the communities that we serve continues. I would also like to just echo that had the data accumulation and research been an initial priority, we would now collectively have that data to inform investments.

I also would like to share that government support really is impactful in persistent poverty regions when working with them through CDFIs. Although not housing specific, the percentages of deployment and persistent poverty counties and Native communities through the Paycheck Protection Program utilizing the SBA guarantee was phenomenal for us.

We deployed nearly $10 million in loans, 47% of that in persistent poverty counties, which is triple the amount that we are normally able to do. Twenty one percent to Native business owners, resulting in over 1,500 jobs retained. I share this example because it exemplifies the impact that can be achieved when we work together and when governmental entities work with and through CDFIs.

Scale continues to be a continual challenge. It's always a challenge in rural. It's a challenge when anyone wants to step in and support us. But impact is measured differently in rural and Native communities. Scale is not a driver.

I challenge the GSEs to think about scale like this. If you think about rural and Native communities as rain puddles versus lakes, like your urban populations. If you toss the pebble into a puddle, the ripples go to the very edge of that puddle or that community. That ripple might be a GSE investment, mortgages bought, homeowners made small, single -- the entire community is impacted. I don't think that many of the GSE's investments can rise to that scale in urban places.

In closing, I would just encourage you to work with and through CDFIs, leveraging our capacity, our relationships, our balance sheets. We are a $160 million CDFI. Oweesta's in the $40 million range. Fahe is in the $250 million range. Those are big numbers in rural and Native communities.

Provide avenues for aggregation of single-family mortgages and investments for multifamily low-income housing tax credits in rural and Native persistent poverty communities. Perhaps leverage the partners for rural transformation, a team of six CDFIs across this nation for pilots that incorporate both of those first two recommendations.

Research, research, research, not only for the GSE's benefit, but for those of us CDFIs working in these communities on a daily basis. We recently participated in seven groups of CDFI's applications. We could find no research data on women in persistent poverty communities. Rural and persistent poverty research is non-existent in so many cases.

Lastly, recalibrate the GSE's approach towards scale, elevating impact into the equation, increase the ripple effect that GSEs are generating in rural and Native communities. Thank you.

Toi Roberts: Thank you, Ms. Anarde. Introducing our next speaker, Mr. Marty Miller from the Office of Rural and Farmworker Housing. Mr. Miller, please press pound two (#2) on your phone.

Moderator: Mr. Miller, can you make sure that your phone is unmuted?

Marty Miller: Thank you. Sorry.

Moderator: You're welcome.

Marty Miller: Thank you. My apologies. My name's Marty Miller. I'm the Executive Director of the Office of Rural and Farmworker Housing. We're a small nonprofit based in Yakima, Washington.

We focus on multifamily rental housing and that's what I'd like to focus my comments on this morning. We're a little over 40 years old and we've built thousands of units of affordable housing in rural Washington State, largely focused on the farmworker community, which is an instrumental part of our economy and a significant part of our population. We provide development services and we're also a small community development, financial institution.

One of the big challenges in trying to serve this community in multifamily housing is around area median incomes. And in our state, as probably in most states, rural communities represent the lower half of the statewide median incomes.

For example, there are many urban counties in Washington State that have twice the median income that our rural counties do. So, when we're trying to serve rural communities, it's often trying to serve households that have $30,000 of annual household income or less. And that's quite a challenge. To serve affordable housing at those incomes you need affordable capital.

Often those organizations that are trying to meet these needs are very small, both in their scale of operations and they have limited balance sheets, which are just realities of organizations working in rural communities.

And, that leads me to one of the core competing concepts I'd like to try to draw attention to within the FHFA and the Enterprises. And, that is, from my perspective, you have competing priorities. One is the Duty to Serve, and the other is safety and soundness. And, let me try to highlight what I mean by that.

As we've gotten into some of the multifamily underwriting on projects, often what appears to be the case is underwriters would be more comfortable with these projects if they learn to start up a deal. And, that in itself is not going to be the case, because rural is unique and the incomes and operating scales are different. So, that's a problem.

Another thing we've heard expressed in the context of Duty to Serve and investing in rural areas, is that the Enterprises don't want to set the market. They don't want to be in the lead on the market.

There lies another problem because the market is not active in rural communities. So, if you're not going to set the market or at least be willing to be more aggressive in the market, you're likely not going to provide the resources that are really necessary to make an impact.

There have been some helpful elements that I want to highlight and encourage additional investment. One that you've heard of that I'll reiterate is investing in tax credit syndication and eventual equity to projects. We'd encourage you to continue that as that's a very useful tool and can produce a lot of multifamily housing.

Same with investing in CDFIs. We're smaller -- we are a CDFI, although smaller than some of our colleagues on the call, but that's still another very helpful way to make an impact in rural communities.

We'd encourage you to be informed about the markets, but not be limited by the market for the reasons I mentioned earlier. Preservation is a big deal and investing in the secondary market for Section 515 and 538 are very useful resources.

And, while I know this is outside of your responsibility directly, we also think that if entities were able to get some Community Reinvestment Act credit for low-income investments, even if they're outside their CRA footprint, that would be useful.

So, in closing, I'd like to say we need access to capital, but not just any capital. It needs to be capital that people who are making $30,000 or less per year can afford. And, I'd like to encourage you to push yourselves to try to make that happen. Thank you for the opportunity and your time this morning.

Toi Roberts: Thank you, Mr. Miller. Introducing our next speaker, Mr. Jamal Habibi from the Opportunity Finance Network. Mr. Habibi, press pound two (#2) on your phone and make sure your phone is unmuted.

Jamal Habibi: Great. Can you hear me?

Toi Roberts: Yes.

Jamal Habibi: Fantastic. Hi everyone. Thank you for having me here for the 2020 Duty to Serve Listening Session. My name is Jamal Habibi and I'm a

Senior Associate of Public Policy at Opportunity Finance Network or OFN.

First, I echo and support my industry colleagues from HAC, Fahe, RCAC, Oweesta, and our friends in Yakima, Washington on their positions and recommendations to FHFA and the GSEs. And, I want to thank FHFA and GSE staff for your great level of accessibility to stakeholders.

Our association, OFN, is a national network of 330 CDFIs. As folks here at FHFA are aware, CDFIs have served as a vital vehicle in working with the GSEs and Federal Home Loan Banks to provide financing to those in America, the distressed urban, rural, and Native communities.

CDFIs offer credit, capital, and financial services to promote sustainable homeownership, counter predatory products and services, and develop affordable multifamily and rental housing. CDFIs have cumulatively developed or rehabilitated more than 1.5 million housing units. And, CDFIs work tirelessly to create affordable housing in the three underserved markets identified in Duty to Serve.

We are on the front lines of the COVID-19 crisis. And, our industry has been grateful for Congress' bipartisanship in including CDFIs as lenders under PPP, and proposed legislation that calls for upwards of $2.9 billion in CDFI grant funding at the Treasury.

In regard to housing specifically, the COVID-19 crisis hit many CDFI home loan and rental borrowers hard due, to the economic and health impact it has had. Our CDFIs, such as Self-Help and many of my colleagues who have spoken today, are working to address these impacts by providing payment deferments and forbearance to those impacted. CDFIs put their borrowers first, and that has impacted their annual earned revenues and impacted operational costs as well.

As cases of COVID-19 continue to rise, our country faces an uncertain future. According to the Center on Budget and Policy Priorities, an estimated ten million adults are not caught up on mortgage payments. One in six adult renters were not caught up on their rent.

The Aspen Institute estimates that approximately 29% to 43% of renters could face eviction by the end of the year. Many of them, people of color. The economic impacts of COVID-19 will last for years to come and CDFIs must play a key role in recovery of our nation's hardest hit communities. CDFIs have the capability in reaching borrowers who have been left behind.

However, many CDFIs still lack access to capital markets supported by the housing finance system. In part, because of this lack of access, CDFI housing lenders are experiencing liquidity challenges that greater inclusion and more mainstream sources of housing finance could help solve.

The GSEs have the potential to catalyze affordable housing development and address the needs of low-income communities by providing CDFIs with liquidity for their lending activities, as well as continuing to support on the training and technical assistance side of things. We believe that enhancing partnerships with our industry could help the GSEs meet their goals more efficiently.

Over the past few decades, many different financial structures have been developed to finance affordable housing and community development projects. These vehicles combine mission focus, and business acumen to create affordable housing. The GSEs' construction investment in these vehicles to be charter compliant and more marketable resources.

We recommend the GSEs make equity or equity-like investments, as my colleagues indicated on the call earlier, in CDFIs because this can create deeper impact much more quickly by providing capital to our mission-driven organizations. As the GSEs look to develop plans for the upcoming years, we encourage them to consider this proposal.

Looking forward, we must ensure that 2021 through 2023 plans are robust and effective. We encourage FHFA to ensure the Enterprises' proposed plans adequately expand the distribution and availability of single-family and multifamily financing for people and families living in these three markets.

We have been concerned of the previous GSE proposed modifications to Duty to Serve that either reduce or rescinded its loan purchase targets. Especially when it comes to loans serving high-needs rural populations.

Although we recognize the challenges posed by COVID-19 in terms of being able to reach certain goals in the rollback of construction costs, a scale back of support in loan purchase targets in Duty to Serve will not serve low wealth communities adequately.

We are grateful though for the partnerships between the GSEs and CDFIs. In terms of rural housing, we're glad to see the GSEs working to establish seller-servicer relationships, particularly in Indian country, and providing that training and technical assistance. We hope that GSEs invest in and provide liquidity to CDFIs with knowledge of rural markets and communities.

To conclude, CDFIs have deep market expertise, relationships with borrowers, ability to provide training and technical assistance to rural developers, and possess both the financial and technical acumen to finance housing transactions affordably and responsibly.

CDFIs continue to play a critical role in the nation's housing finance system, having proven to be prudent, responsible lenders, even during the most difficult times of the housing crisis of 2008, all the way to today with our COVID-19 crisis.

Any robust housing finance system should work to support CDFIs. And, the GSEs should work with CDFIs to deliver solutions to some of the most difficult housing challenges facing under-resourced communities.

OFN stands ready to work with you to ensure future Duty to Serve plans are robust and fulfil the statutory obligations of the Housing and Economic Recovery Act. Thank you very much and we appreciate the opportunity.

Toi Roberts: Thank you, Mr. Habibi. Now introducing the next speaker, Mr. Ari Beliak from Merritt Community Capital Corporation. Mr. Beliak, please press pound two (#2) on your phone and make sure your phone is unmuted.

Moderator: Mr. Beliak, please go ahead. Can you unmute your phone? We can't hear you at the moment, sir. It could be the headset. I heard a click when you hit the unmute button.

Ari Beliak: Can you hear me now?

Moderator: Now we can hear you.

Ari Beliak: Okay great, thank you. Now that we passed the technical difficulties, so sorry. So, first of all, thank you for providing this listening session, and the opportunity to provide comments on the 2020 Duty to Serve Rural Housing component.

I'm actually speaking today on behalf of two different organizations, the California Coalition for Rural Housing, as well as Merritt Community Capital Corporation. I'm Ari Beliak. I'm the President and CEO of Merritt Community Capital Corporation.

The California Coalition for Rural Housing is one of the oldest state low-income housing coalitions in the country. Through advocacy, organizing, research and technical assistance, CCRH's goal is to make the case for rural housing improvement and strengthen the capacity of the nonprofit and public sectors to provide affordable housing-related facilities in rural communities in California.

Members are primarily community-based nonprofit and public developers, including the largest self-help producers in the United States, as well as local governments, local activists, and certain rural quality of life, including Merritt Community Capital.

Merritt Community Capital is a mission-based nonprofit affordable housing investor. We partner with mission-aligned affordable housing developers throughout the State of California. We do the most complex, difficult, and high impact projects in California. Projects that most investors aren't willing to do, or if they are willing to do them require significant economic returns. They make it either infeasible or not conducive to serving the highest need populations in California.

So, I want to talk a little bit about the need for LIHTC investment in California. California is an extremely diverse state, and is often overlooked. But, it has actually one of the largest rural markets in the United States.

According to the 2010 census, California's rural population is larger than the total population in 13 states and resides in a geographic area larger than New England. In fact, rural size in the state accomplished about 10% to 20% of the total money that's put aside for affordable housing in the State of California.

Rural California, especially farmworker communities and Indian country are some of the poorest rural places in the United States. In 1996, the Congressional Research Service dubbed the San Joaquin Valley, the new Appalachia. And, unfortunately, not much has changed since then. San Joaquin Valley and other rural areas of California have some of the highest poverty levels, unemployment, overcrowding, substandard conditions, failing infrastructure, and lack of affordable housing options in the entire United States.

We're here to advocate that the GSEs continue to invest in LIHTC in the California rural market. California is often viewed as a CRA market, a market that does not require a significant investment by the GSEs. But, California is a diverse place, and there are huge areas, including really the rural markets that have prices that are commensurate with other rural parts of the country, and therefore desperately need the GSEs' participation.

We applaud Freddie Mac for making these three investments this year in rural California. And, we encourage them to continue to do so and to invest in nonprofit mission-based developers, those developers that are doing the highest need, high impact projects in rural California. We encourage Fannie Mae to begin reinvesting in California. We understand since 2017 Fannie Mae has not yet reintroduced itself into the California market.

We also encourage the GSEs to invest in local mission-based investors. Those are the investors that do the highest need, most difficult projects, the ones that really understand the local conditions better than anyone else.

And, so we'd like to applaud Fannie Mae for really taking that strategy and investing in other local nonprofits syndicators across the country. And, we encourage Fannie Mae to do the same strategy in California. We encourage Freddie Mac to not only invest in national investors, but also local mission-based investors.

So, I also wanted to really echo many of the comments that the other speakers, particularly Marty Miller as it relates to investments in rural areas. And, thank you for the opportunity to speak today. Thank you to FHFA and to Freddie Mac and Fannie Mae, for all you're doing in rural housing and rural communities across the United States. Thank you.

Toi Roberts: Thank you, Mr. Beliak. Introducing our next speaker, Mr. Rusty Smith from Auburn University Rural Studio. Mr. Smith.

Rusty Smith: Thank you. Hi, I'm Rusty Smith, Associate Director of Auburn University's Rural Studio. It's a real pleasure and honor to be here this afternoon, amongst so many friends, colleagues, and partners.

Rural Studio is Auburn University's internationally recognized design-build architecture program. Established almost 30 years ago, Rural Studio gives architecture students a hands-on professional educational experience while assisting the underserved, persistently impoverished, and low-wealth communities of West Alabama's rural Black Belt Region.

In our initial years, the Studio first became known for establishing an ethos of recycling, reusing, and remaking. With the past two decades, Rural Studio has expanded the scope and complexity of our projects to include the design and construction of community-oriented infrastructure, the development of more broadly attainable, small home affordability solutions, along with the products and technical assistance necessary to scale those solutions more broadly throughout rural America. And, a comprehensive approach to addressing rural insecurity issues relative to income, energy, food, health, and educational resources.

Altogether, Rural Studio continually questions what should be built in rural America to address these systemic issues rather than simply what can be built.

Rather than reiterating, doubling down or even times two-ing the previous remarks of my colleagues, I would like to speak more broadly on the importance of even having a Duty to Serve plan and why it matters practically to those of us working in the field and on the ground.

The Duty to Serve plan has proven to be an instrumental touchstone for organizations like Rural Studio and others represented here today. First, because plans are important as they outline a course of action on how we might all achieve something that we have decided is important to achieve.

Second, and perhaps more importantly, we must remember that plans are simply an articulated representation of our collective shared values.

That said, it's also important to remember that plans are not values themselves. Our collective work of housing America, building a stronger, safer, more efficient housing finance system and in the context of this discussion, increasing equitable access to stable and sustainable opportunities for homeownership in underserved rural markets are not simply goals in and of themselves. They are all moreover a means to an aspirational value-focused end.

In other words, our shared goals of housing America simply express our shared values that all Americans are deserving of physical, mental, and financial wellbeing. And these values are inextricably linked and cannot be separated and flow, first and foremost, from equitable housing access. While it's certainly important to prescribe pathways toward those ends, which Duty to Serve does really, really well, it is equally important for the plan to describe clearly those ends to which we all here aspire.

By always keeping our aspirations and values squarely in the frame, we can better evaluate not only whether our plan is successful, but it also allows us to see other potential avenues of success, to think both laterally and systemically, and the agility to test, learn, innovate, and implement more strategically in the expressions of our shared values.

The notion not just of what we build in rural America, but how we build it and why we build it, this way versus that way, is key in addressing the fundamental challenges of affordability. Much of the work, addressing the issues of housing affordability, understandably focuses on what it costs to build a home and strives to reduce those costs.

While it's certainly important to ask, what does a house cost to build, it is perhaps more useful to consider what the house actually affords. What does it afford the homeowner? What does it afford the lender? What does it afford the insurer? And, what does it afford the community?

In other words, what impact might we have on affordability if we could begin to consider the total cost of homeownership and the overall financial equation? More directly, we have found that our homeowners are not primarily challenged because they can't afford their mortgage, which in rural places is often simply a direct reflection of the upfront cost of construction. Instead, they are more often challenged to stay in their home because of one or more of the following four circumstances.

First, they may have an unexpected energy bill. In our part of the world, our rural homeowners may have an energy bill of $35 to $45 a month in March and April, and an energy bill of $350 to $400 in July and August.

The second thing that happens, they may have an unexpected maintenance or repair bill. We live in an area of increasingly volatile climactic activity. We live right in Tornado Alley and right in the catcher's mitt of the Gulf Coast, where every Gulf hurricane pulses directly overhead as it becomes a tropical storm. Maintenance and repair due to storm-related events play a significant role in the financial security of our homeowners.

Third, our homeowners might have an unexpected healthcare event in their lives. And, the fourth area of influence on our homeowners' financial well-being is that our homeowners rely in large part on part-time work, shift work, and seasonal work to make ends meet. And, additionally, live in complex kinship networks in which everything is shared from housing, transportation, income, to food, elder care, and childcare. Any disruption in these community networks can be disastrous for generations of a family.

So, in addition to managing the upfront costs of construction of the home, it is even more important and impactful to understand how the actual performance of the home in the four key areas of energy efficiency, durability and resilience, health and wellbeing, and the strengthening of vital family community networks, all contribute in profound ways to long-term financial and economic security.

The research is clear not equivocal. Energy efficient, durable, resilient, and healthy homes stabilize homeowners and their families in such a way that in turn makes ownership of those homes more sustainable.

The development of an integrated home procurement process that more closely links home performance to the financial insurance mechanisms that make these innovations possible is the key to unlocking home affordability to those in rural America that need it most.

Now, none of this is anything we don't already know but the gap between what we know and what we do remains enormous. We encourage FHFA to further allow and incentivize the Enterprises to engage in pilot programs that seek to close this gap between knowledge and know-how by valuing and even rewarding innovation relative to the research and development of the housing products that are actually needed to intentionally and purposefully address these interconnected issues of energy performance, durability, resilience and wellbeing, while simultaneously supporting the necessary pilot research and implementation programs to bring these products to rural markets.

While tackling complex systemic challenges, we often tell our students, in order to do this, we must do that as well. In this context that is to say, we cannot build a stronger, safer, more efficient, and equitable housing finance system that responds to the particular needs of rural America without simultaneously developing the housing products that purposely and with great intention respond to both the quantitative and qualitative aspects of building performance and considers both the cost and value of action, as well as the hidden cost of inaction.

In closing, I would like to thank both FHFA, as well as the Enterprises, for providing this open and transparent forum for those of us working on the ground and in the field in rural America, to share our perspectives and provide insight on why this work really matters. The hardest of work is the work most worth doing, and actualizing our values in rural America is the hardest of hard work.

No one of our colleagues on this call could do that work alone. And, we appreciate all of the opportunities to innovate and get the hard work done that FHFA and the Enterprises provide through Duty to

Serve. It may simply be an outgrowth of our straightforward rule sensibility, but hard, hard work is best done together and there is simply no way we could do it without you. Thank you for listening. And most of all, thank you for hearing.

Toi Roberts: Thank you, Mr. Smith. That concludes all of the presentations from our guest speakers today. So, now we're going to hear closing remarks from both Fannie Mae and Freddie Mac. Right now, I'd like to turn it over to the Fannie Mae team, Mr. Dana Brown, Kellie Coffey, and Sam Lipshutz.

Kellie Coffey: Great. Good afternoon. This is Kellie Coffey from Fannie Mae. I will start. So, on behalf of single-family business here at Fannie Mae, I just want to give a thank you for taking time out of your busy schedules and of course a late Friday afternoon. I also wanted to thank FHFA for bringing us all together.

The expertise and the feedback, and the insight that's on this call that was received today within each market, is truly invaluable to the work that we do. And, honestly, we're not able to do this work alone. I think Mike Dawson said that at the beginning of this session.

You know, without each and every one of you, our work could not be as impactful. So, for me, you know, I heard a lot of things, but for the sake of time I'll break it down to three.

So, you know, I recognize -- or we recognize and hear the need for increased affordable investment in the rural areas, the high-needs rural areas, as well as the Native communities. I also heard the CDFIs understand our need for scale. But, I also hear the need for the GSEs to reinvent the definition of scale.

So, I can tell you that Fannie Mae is committed and supports the crucial role that not only CDFIs, but the FHFA and other mission-driven and nonprofit lenders play.

And, I hope that this is evidenced with our modifications specifically in the high-needs populations or the Native communities that we did in 2020. But, our continued support of not only approving our new strategic partners but the network and the membership that they continue to provide support to in 2021 and beyond.

I mean it's no surprise, 2020 has been a year of uncertainty and considered unprecedented times. And, we here at Fannie Mae are diligently working to grasp the impacts of the pandemic, specifically in the rural and Native communities. As well as providing small financial institutions the resources necessary to effectively serve their communities, as well as their borrowers.

As we move into 2021, protecting homeownership will become just as important as creating or continuing to create the new homeowners. And, will certainly become important initiatives as we move into 2021.

And lastly, I heard a lot about racial equality. So, these efforts could be considered a natural fit to enhance or even have more impact in our Duty to Serve work. And, while we don't necessarily call this out in 2021, it's certainly an important issue that Fannie Mae will join the nation in to address now, and certainly as we progress forward into the future.

So, in closing, we and myself, I miss being out there in the field and being able to see everyone. But, we're honored to continue this work to be right beside you over the last three years and as we continue to think about the future, the now, the 2021, and beyond.

So again, just thank you very much for all of your time and your commentary today. We'll certainly take it into strong consideration in the work that we do going forward. So, I'll just pass it off to my colleague, Sam on multifamily.

Sam Lipshutz: Hey, Kellie thanks. Hi everyone. This is Sam Lipshutz. I do really want to thank the commenters today. And, I think it's nice knowing that the folks that are presenting ideas today are the same people that we work with throughout the year, sometimes very frequently too. So, thank you for giving it to us straight, and for working with us on the incremental steps.

So, the first couple of topics I just wanted to touch on is the RD 515 preservation. I just wanted to clarify a couple of things. First of all, getting a loan product done that will allow us to finance preservation of properties at risk of accessing the portfolio is one of our top priorities.

We have experienced some prioritization and resource challenges among our partners in 2019 and into 2020. We do have an internal working group that is dedicated to the effort and we are definitely ready to develop a product that we can get enough bandwidth from our partners.

We know we will need some time to get it off the ground and to build the capacity, but this is something that we're definitely dedicated to. So, we are committed to keeping it in our plan and getting it done. We do have already a loan financing option that's guaranteed by the RD 538 program. And so, when we have the 515 too, we'll be able to do them even if they have the 538. The 538 is available now. And so, we have loan purchases included in our plan for 2021 under the 515.

In the meantime, we have identified and have devoted resources to more practical efforts. Right now, it's making an impact on this market challenging, including through technical assistance partnerships, including our partnership with the Housing Assistance Council, and to some other nationwide partners, like Enterprise in developing resources that can lead to preservation.

On the housing credit, we really appreciate all the commenters on this topic. We are on track to exceed our housing credit equity goals in 2020 and did so in 2019 as well. Including a number of properties in the high-needs rural regions, and supporting high-needs rural populations.

And, I heard Mr. Beliak mention properties in California. And, we actually did invest in two in 2019 and two in 2020, including several -- I think three of those were supporting agricultural worker communities. And, so I just wanted to get that data point out there.

And, like Dana said at the beginning, we are committed to being a consistent source of capital in rural and a steady presence. We do have conservative imposed investment caps and been taking this down to standards that we are subject to. But, as Marty mentioned, that's an important balancing act. And, while the deals are tough, we are dedicated to building our capacity in getting them done and so we are going to be in rural markets.

And then, lastly, I just wanted to turn to capacity. And, I heard a number of folks mention that, especially in working with tribal housing entities, that capacity is very important. And, that's something that we really think too. And, someone recently told me that the bread and butter of Fannie Mae really comes up at the end of the process after all the hard work is done.

And so, we see the partnerships in 2019 with national nonprofits to deliver technical assistance programs focused on developing housing and service high-needs rural populations. And, that's really a key part of our strategy, to resources, to programs that strengthen the development capacity of organizations. And so, that's a big part of our plan.

The last piece I just wanted to touch on was loan purchases in the high-needs regions. We've really worked hard to increase our production in the high-needs regions. And, we'll continue to do that into 2021 through the practical steps that we can take now to get where we want to be in the future.

So, with all that said, thank you again. And, our doors are definitely always open. So, thanks for being here. And, wish we could see you next time in Washington or Kentucky and all the other places. So, thanks so much.

Toi Roberts: Yes, absolutely. Now we would like to introduce the Freddie Mac team speakers Carol Thompson and James Cromartie.

Carol Thompson: Thank you, Toi. I really appreciate it. So, representing multifamily, I really want to thank everyone for the thoughtful feedback. We understand that small increment changes really do go a long way in rural markets. We also thank FHFA for the timing of these listening sessions. They're ideal while we're working on finalizing the 2021 plan and submitting it in the next 30 days. And, we're starting to brainstorm as we develop the next plan for the next three years.

So, listening today, we understand that moving forward, we need to stay focused on ways to continue to solve for the lack of affordable capital and ways to increase liquidity through CDFIs and HFAs.

I want to reiterate that we are deeply committed to continuing to close the gap where we can in the rural market, and we will continue to work and engage with USDA. So, thank you for the comments, Mr. Riemann, and also thank you, Ms. Morgan and Ms. Anarde, for the research recommendations.

The additional strain that COVID placed on affordable housing across the country truly only fuels our passion and dedication even more. Please don't hesitate to reach out as we continue to collaborate together. Again, thank you so much for the opportunity to listen. And, at this point, I will turn it over to my single-family colleague, James Cromartie.

James Cromartie: Hello, I'm James Cromartie with Freddie Mac single-family. And, we appreciate you all for the time you took out of your Friday to talk to us about the feedback we have on our Duty to Serve plan. You know, we provide more than a billion dollars in liquidity annually to the hardest to serve rural areas. We have seen an average annual growth rate of approximately 4% in areas of persistent poverty.

We've also established a lot of partnerships with many of you we heard from today. Those partnerships are to expand capacity for financial capability education across all segments. We're talking about high-needs, rural tracks, and travel areas. Also, we've conducted an exponential amount of training on our offerings and solutions to many participants in this great ecosystem we participate in. We're talking about lenders, nonprofits, appraisers, etc.

While we have made great strides, we realize there's still a lot of work ahead that we need to focus on in 2021 and beyond. So, from your feedback, some of the things that we've heard that the collective approach between Duty to Serve between us and you, our industry partners, has been too incremental. We need bigger goals, and we need to expand partnerships.

We also heard that we should continue with Native CDFI partnerships and furthering their capacity building. We should assist in the development of a broker network for conventional lending in rural and Native American communities.

And, finally, we're so excited to hear about our efforts -- that our efforts have contributed to reaching thousands of Native Americans to getting them closer to homeownership, but we realize our work has just started.

We can't thank you enough for your valuable feedback and rest assured we heard you. And, we'll take your feedback and continue to work with you to increase access and scale the mortgage financing in rural and Native communities. Thank you guys, and have a great weekend.

Toi Roberts: Thank you, Mr. Cromartie. That now wraps up our session today. We'd like to thank you all and we really appreciate getting your feedback. We would like to remind you that the public comment period for written comments closes today. So, if you have any written comments, please, we encourage you to visit our Duty to Serve website at www.fhfa.gov/dts for submitting written comments. This now concludes today's session. Thank you.

Moderator: That concludes our conference. Thank you for using Event Services. You may now disconnect.