[Toi Roberts]: Hello and welcome to the Federal Housing Finance Agency's Duty to Serve public listening sessions on the Enterprises proposed 2022-2024 Underserved Market Plans. I am Toi Roberts, a member of the Duty to Serve team and I will be emceeing today's session and the session is being recoded. Today we will hear comments on Fannie Mae and Freddie Mac's proposed new plans for the manufactured housing market. But before we get started, I would first like to introduce you to the lead of our Duty to Serve team, the Managing Director of Duty to Serve, Ms. Marcea Barringer.

[Marcea Barringer]: Thank you Toi. I'm Marcea Barringer and I'm the Supervisory Policy Analyst for the Duty to Serve program at FHFA. It is my pleasure today to introduce Acting Director Sandra Thompson who knows the Duty to Serve program very well and who will be providing today's opening remarks. President Biden appointed Sandra Thompson to be Acting Director of the FHFA three weeks ago on June 23rd. Director Thompson has a distinguished career in public service and has been a champion of affordable housing issues for many years. As Deputy Director of Housing Mission and Goals here at FHFA, she oversaw affordable housing and mission activities, including the Duty to Serve program. Director Thompson?

[Acting Director Sandra Thompson]: Thank you Marcea. And let me thank all our participants in this virtual listening session. All across the United States, Americans are struggling with the housing crisis. Each market and community faces its own challenges but a common theme can be found, and that is a widespread shortage of affordable housing. The total supply of housing is insufficient to meet ongoing demand and new housing production is skewing towards higher price segments of the market. That means, low and moderate income Americans are increasingly cut off from housing opportunities. FHFA's mission, through our regulated entities, is to responsibly foster a sustainable housing finance system that supports equitable access to both affordable homeownership and rental housing, reaching communities of color, rural areas, and other underserved populations. And Duty to Serve plays an important part in this. Under the Safety and Soundness Act, Fannie Mae and Freddie Mac are each charged with the duty to provide leadership in facilitating a secondary market in mortgages for families in three specific underserved markets: affordable housing preservation, manufacturing housing, and rural markets. FHFA's implementing regulation requires each Enterprise to develop its own plan for serving the specified markets over three year timeframes. Earlier this year, the Enterprises, submitted their proposed 2022-2024 underserved market plans which are posted on the FHFA website. This week, FHFA has held a listening session for each statutory underserved market to encourage feedback on those plans from stakeholders and the public. Interested parties are encouraged to provide written comments on the proposed plans through our website, FHFA.gov. FHFA and the Enterprises want to hear your feedback on how best to reach underserved markets. During a time of shortages, preservation of the existing affordable housing stock becomes even more urgent. Recent estimates show that just in the next five years, a quarter of a million publicly subsidized homes will see their affordability requirements expire. It is critical that the Enterprises make their Duty to Serve in this market in keeping with their charter purpose to promote access to mortgage credit throughout the nation. Manufactured housing is one option that has potential to grow the affordable housing supply without subsidies and Duty to Serve has already produced demonstrable results in increasing Enterprise support for manufactured housing. For example, the Enterprises almost doubled their purchases and loans secured by manufactured housing titled as real property between 2017, the year before Duty to Serve was implemented, and 2020. In addition, both Enterprises exceeded their loan purchase targets for manufactured housing communities with tenant pad lease protections, providing new and important protections for residents in these manufactured housing communities. And, manufactured housing is an especially important resource for many rural communities. Rural areas tend to have limited housing options and older housing stock. Getting an accurate appraisal can also be difficult. Fortunately, despite the challenges presented by the COVID-19 pandemic, 2020 saw these Enterprises still able to exceed some of their goals in the rural housing market. FHFA looks forward to them doing even more to connect rural areas to national housing finance. FHFA expects the Enterprises to live up to their mission obligations and help ensure that investment capital reaches underserved markets. Fannie and Freddie have a responsibility to identify the obstacles in these communities that these communities face in accessing mortgage credit and affordable housing as well as the duty to promote strategies for overcoming them safely and soundly. As we enter the next few years of Duty to Serve, I look forward to seeing the Enterprises build their charter purposes by increasing the liquidity of mortgaging investments and improving the distribution of investment capital throughout the country. Their success in this mission will play a critical role in relieving our nation’s widespread affordable housing shortage. Thank you again for joining our listening session. I will now turn the program over to Toi.

[Toi Roberts]: Thank you Director Thompson. Now before we move forward with the remainder of the agenda, I do have a few important house keeping remarks. As you know, we have organized this webinar in order to obtain your input on the Enterprises proposed 2022-2024 underserved market plans for the manufactured housing market. During today's session, FHFA will not discuss the status or timing of any potential rule making. If FHFA does decide to engage in a rulemaking on any matters discussed at today's session this session would not take the place of a public comment process. The rulemaking document would establish the public comment process as you would need to submit your comment, if any, in accordance with the submission instructions in that document. FHFA may summarize the feedback gathered at today's session in a future rulemaking document if we determine that a summary would be useful to explain the basis of a rulemaking. Also please keep in mind that nothing said in today's session should or should be construed as binding on or a final decision by the FHFA Director or FHFA staff. Any questions we may have are focused on understanding your views, not to take a position of FHFA staff or the agency. Now, with that said, we do have a great lineup of speakers for today. Today we will hear from twenty guest speakers and mid-way through we will have a short seven-minute break. Each speaker will have up to seven-minutes to speak and we will try our best to stay on schedule and ask that everyone speaking help us do so as well. I will chime in to give speakers a one-minute warning as their time draws to a close. If someone does go over their time unfortunately I will have to interrupt you in order to keep us on schedule. Each speaker will have the ability to mute and un-mute their microphones throughout the session but we ask that you keep the microphones muted and your cameras off until it is your time to for you to speak. We also ask that all speakers be prepared to turn on their video cameras on during their speaking segments. Finally, as I mentioned earlier, we are recording today's session. FHFA will also prepare a transcript of today's session which will include the names of all speakers and organizations you represent. We will post the recording and transcript on FHFA's website and YouTube channel along with any materials being presented today. Now, before we begin to hear from our guest speakers, each Enterprise will give brief opening statements, and as we close they will also give closing remarks. First up, we will hear from Fannie Mae and speaking from Fannie Mae's Duty to Serve team is Mr. Mike Hernandez.

[Mike Hernandez]: Toi, thank you very much. Good afternoon everyone, my name is Mike Hernandez and I'm Fannie Mae's Vice President of Engagement and Impact. Let me first thank Acting Director Thompson and all her team for facilitating this session today and the two previous sessions over this past week, they've been very very impactful. It's my pleasure today to share with you a quick overview of our key accomplishments in the manufactured housing market as well as ways that we're continuing to build on our work and in the coming 2022-2024 Duty to Serve plan. Fannie Mae's purpose and mission is to ensure that there is liquidity in the single family/ multifamily mortgage market everywhere across the country every day while improving access to sustainable mortgage financing for those of modest means, and our Duty to Serve activities complement our core mission by challenging us to increase access to mortgage credit beyond our current investment levels. We have an excellent Duty to Serve team and almost all of them are on this call today but we can't do this challenging work without you and without your collaboration and your support so, thank you for working with us as we test and learn new opportunities and for the guidance you guys continue to give us. Together we're making a difference in where it's needed most through our Duty to Serve plan. So let me highlight for you some of the key multifamily and single family plan accomplishments over this past few years so if we can, excuse me, go to slide 3. Thank you Toi. In our multifamily business, Fannie Mae remains one of the largest financers in manufactured housing communities in the country. And through these activities, we financed 130 manufactured housing communities representing over nearly 16,000 MH units with tenant pad lease protections, a particularly important component to protect tenants. As a means to ensure affordability for manufactured housing communities, we engage nonprofit and government entities to finance our first four nontraditional MHC loans. In our single family business, we stretched our mortgage product development efforts to do a number of things. One, better facilitate MH advantage financing. We changed our policy to allow MH singlewide eligibility. We enhanced our MH construction to perm product and we added several other selling guide updates responding to what we heard from stakeholders in the MH industry. Throughout this period, We held frequent outreach and trainings with MH industry partners including lenders and manufacturers, retailers, researchers, developers, appraisers, and others and we even worked with a local MH association to assist their efforts to amend their town’s land development code to allow for manufactured housing. And in the first three years of our Duty to Serve plan, we've seen a 58% increase in MH loan purchases as compared to the period prior to the plan. So we can jump to slide 5. So now looking forward, what's next in our next three years? We’ll maintain our focus on financing manufactured homes as real property. Our efforts will result in at least 27,000 loans over the next three years and a 16% increase in 2024 in loan purchases over our baseline. We’ll scope the opportunity to expand for that the financing of manufactured homes as real property in resident owned MHCs and possibly privately owned MHCs so that by 2024 we can launch a loan product that meets this need. And to expand the financing of newly constructed manufactured homes, by 2023 we'll develop loan products that streamline financing to manufactured as real property located in fee simple subdivisions. Slide six please. In the multifamily space, we'll expand our efforts to increase purchases of loans secured by MHCs owned by government entities, nonprofits, and resident on communities. By 2024 we expect these efforts will result in nearly 2000 additional units of these types financed. Recognizing the tenant site lease protections preserve affordability and stability of MHCs across the country and safeguard tenants from predatory practices, we're going to build our industry-leading work to expand tenant site lease protections so that by 2024, 30% of all Fannie Mae MHC properties financed will include these protections and this represents 131% increase from our baseline. We're very proud of our achievements under the Fannie Mae Duty to Serve plan. We look forward to ramping up our successful initiatives in 2022 and welcome your comments and suggestions on how we can continually improve our plans. All of us at Fannie Mae are committed to finding ways and new ways to partner with you to support our Duty to Serve markets and help families find that sustainable, safe, and affordable place to call home. Thank you for your time and your comments in advanced this afternoon and for participating in this very very important session today. With that, I'll turn it back over to you Toi. Thank you.

[Toi Roberts]: Thank you Mr. Hernandez. Now we will hear opening remarks from Freddie Mac. Speaking from the Freddie Mac Duty to Serve team are Mr. Mike Dawson, Mr. Corey Aber, and Mr. Dennis Smith.

[Mike Dawson]: Hey, thank you Toi. And on behalf of Freddie Mac, welcome and thank you for taking the time here today and especially thank you to FHFA for organizing this event. I'm Mike Dawson, Vice President of the Client and Community Engagement within the single family organization at Freddie Mac and it's great to see many of your videos up there and I look forward to all of the constructive comments we'll be hearing today. We value your supports and partnerships over the last several years. And particularly, your dedication to the manufactured housing industry itself and supporting communities across the country. And so again, looking forward to hearing from you today and to continued partnership and successes we can draw together in supporting manufactured housing this year and the years ahead of us. With that, I do want to turn it over to Corey and Dennis to give you more details about our plan. Thank you.

[Corey Aber]: Thanks Mike, and thanks everybody. I'm Corey Aber. I'm Senior Director of Mission Policy and Strategy Multifamily. Toi, if you could advance the slide a little bit. When we think about the Duty to Serve, we're thinking about something that is fundamental to our business and fundamental to our mission, our mission of providing affordability, stability and liquidity to the to the market and to all markets right. So over the first Duty to Serve plan we had a really strong focus on doing two things at once, building a foundation in parts of the market where we weren't as present as we wanted to be, and also having a direct impact out wherever possible. We saw that in the manufactured housing space. We look to expand their new product offerings, new loan offerings, research and thought leadership and collaboration across this market. And we saw a lot of that in the first three years of our plan that we see a lot more of that this year and we have more planned in our next cycle. If you could advance the slide just once more. In our first plan, and I'll speak for a moment about some multifamily activities then I'll turn it over to Dennis who leads our single family manufactured housing activities. In the multifamily space we put out a lot of research trying to understand better and promote a greater understanding of the residential owned community market and also tenant protections in manufactured housing communities. And we and through Duty to Serve created a market for MHCs with tenant protections above and beyond state law. We found in our research that none of these protections were available in all States and thanks to our work and thanks to Fannie Mae's work and Duty to Serve these are available now through communities that never had access to these before and you know we're looking to continue that work work this time around. We set a strong foundation, started purchasing loans immediately after putting our product offering out there and we're looking to grow those loan purchases in the next plan cycle overtime. And Dennis I will turn it over to you.

[redacted]: Thank you Corey. Good afternoon everyone and thank you for joining today. Multifamily has had some great success but so have we in single family. We have helped more than 14,000 homeowners create a home with a manufactured home. As Corey mentioned, Duty to Serve allows us to take manufactured homes and really make it part of our DNA at Freddie Mac. Since we've implemented Duty to Serve, it gives us other opportunities to support and promote manufactured homes. Some of those created new mortgage products where we have Renovation Offering or Choice Renovation which can be used on manufactured homes, our energy and water efficiency product or Choice Home is eligible for manufactured homes, and we made over 15 additional underwriting guideline changes to make doing business with manufactured homes easier and a lot of those recommendations came from you. Not only did we focus on the production piece but we also focused on the outreach, educating Realtors and lenders about manufactured housing and how it is a great affordable choice for homeownership, and also preparing homebuyers. We've helped educate over 3800 homebuyers on why manufactured housing is a great option when they're purchasing their home. In fact, if we look at the number of consumers that we helped in single family 51% of those homebuyers were first time homebuyers. We could go on and talk about what we've done but I think our reading our reports would definitely help but, really what I want to say is we couldn't do it without you. It really helped open our eyes to what's needed in the market and how we could provide additional liquidity and stability to the manufactured housing market. Toi, if you would go to the next slide please. At the end of the day we're listening, we want to hear the feedback that you have today on our plan that we put into the marketplace. We're looking at doing some interesting things and we're very interested to hear what you have to say, and again those opportunities for us to come alongside you and use your current expertise to help us develop these products and programs. We look forward to hearing what you have today and taking that into account and in to action. So with that, I'll turn it back over to Toi.

[Toi Roberts]: Thank you Mr. Dawson. Alright so now without further ado we will begin hearing from our guest speakers. And so, our first speaker is Ms. Esther Sullivan from the University of Colorado Denver.

[redacted]: Thank you, and thank you for the opportunity to comment on the Enterprises proposed plans for Duty to Serve. I'm a sociologist at the University of Colorado and I'm the author of the book “Manufactured Insecurity Mobile Home Parks and Americans Tenuous Right to Place”, and I spent the last 11 years documenting and analyzing the unique role that manufactured housing plays in the U.S. affordable housing stock and the unique housing insecurities that are related to manufactured housing and especially to manufactured home communities. Manufactured housing is less than half the cost of site-built housing to produce which makes it an innovative and radically affordable housing option. Manufactured homes provide affordable rental housing but they are especially important as a source of low income homeownership. The Manufactured Housing Institute estimates that 70% of all homes sold under $125,000 are manufactured homes. So simply put, this is the primary route to the American dream for lower income homebuyers. So first I applaud the GSEs efforts to increase loan purchases for manufactured homes titled as real property and to provide a secondary market in these loans as multiple stakeholders have identified this is a crucial step and I hope efforts in this area will expand. Two comments here, the bulk of real property loans are available for newer larger and double wide manufactured homes and not as much for single wide and older homes and this leaves out most of the manufactured home market. There is a real demand for smaller, lower costs and pre owned homes so I hope you'll continue to keep this in mind and 2nd, of course, is chattel. Most manufactured homes are classified as personal property which limits the owners of these homes to personal or chattel financing. In many states it's the default to title a manufactured home as personal property and then there's extensive steps that are required to retitle the home as real property. So, of course we we first need to support a secondary market for these chattel loans and I know that there is there is a pilot program to do so. But we also know that an estimated 65% of borrowers that own both the home and the land and would qualify for a real mortgage use channel instead. So, in addition to the pilot to support chattel loans existing owners of manufactured homes would benefit from retitling their homes to real estate even qualifying for mortgage refinancing. Second abroad comment, I'm so I'm especially excited about Fannie Mae's commitment to expand efforts made since 2018 to support the placement of manufactured housing in fee simple developments, which is just another way of saying conventional single family neighborhoods. As my own research and the research of others has identified, the exclusion of manufactured housing from conventional neighborhoods and the segregation of this housing stock is not only a major barrier to the production and expansion of manufactured housing but it's also a key driver of inequalities facing manufactured home residents. These include inequalities in financing that we're talking about today but also inequalities in housing security and protections from natural hazards and in wealth generation. So supporting the placement of manufactured housing in fee simple developments or conventional single family neighborhoods is also really key. And finally as in all areas of affordable housing we need to focus on production and supporting financing for new manufactured homes but also on preservation, holding on to the affordable housing that we already have. About half of all manufactured homes are located in manufactured home communities we residents face multiple forms of housing insecurity because they do not own the land where their homes are placed and in many cases do not have long term site protections for that land. Given what has been a veritable rush of institutional and private equity investment in the manufactured home community space there must be special attention paid to expanding site protections for homeowners in these communities, including an opportunity to purchase provision. Investors currently have superior access to credit that's backed by the Enterprises in the name of promoting affordability you know through the ownership of these manufactured home communities. But it’s just one example, Havenpark Capital utilizing a Fannie Mae credit facility, Bellwether Enterprise, funded their $100,000,000 purchase of manufactured home communities in this way and residents in Havenpark communities have banded together as they've seen their rents rise 50 and 60% and some have been displaced from their homes they own as a result. So if you want to promote long term affordability and stability, the GSEs loans to acquire manufactured home communities should be primarily available to residents looking to purchase their communities and to nonprofits that agree to preserve their communities and therein preserve affordability. If these loans continue to be available to investors the GSEs should really focus on these resident protections, on long-term leases, provisions to maintain affordability, and on an opportunity to purchase provision. Thank you for your time.

[Toi Roberts]: Thank you Dr. Sullivan. Our next speaker, Mr. Grant Beck from Next Step Network.

[redacted]: Good afternoon and thank you to FHFA for the opportunity to provide comments on the Enterprises Duty to Serve proposed underserved market plans for 2022-2024 as they relate to manufactured housing. We also thank the Enterprises for their ongoing work to support the housing needs of all Americans under Duty to Serve. Next Step Network is a national nonprofit housing intermediary that works to promote expanded use of factory built housing as a viable solution to address housing affordability. Our organization works with partners across the country to provide a pathway to sustainable homeownership for low and moderate income families through housing counseling services, financial homebuyer education, and leveraging new Energy Star manufacturing faults. For generations the blueprint of wealth creation and equity building in this country has been predicated on the financial gains of owning a home. Yet millions of households, particularly those individuals living in lower income communities of color or on tribal lands and immigrant communities, have been barred from this quintessentially American path to prosperity by a lack of affordable housing choice. Our organization partners remain firmly rooted in the belief that manufactured housing is a primary solution to address both the supply and affordability gaps. Continued and expanded participation by both Enterprises in the manufactured housing space can help bring scalable solutions to better address the housing needs for all Americans. Unfortunately, the proposed plans for 2022-2024 are woefully inadequate representing a retrenchment from the incremental progress of the first plan cycle as the affordable housing crisis and racial wealth gaps worsen. However, the Enterprises cannot be expected to offer ambitious plans specifically to Duty to Serve until a specific Duty to Service incentives fostered by previous FHFA Director are rescinded and FHFA sends a clear message that Duty to Serve is to be taken seriously and it expects to see ambitious plans to better reach underserved markets. If the Enterprises are to receive approval for the proposed plans. As part of the first Duty to Serve plan cycle, Next Step and our partners have had the opportunity to work with both Enterprises in furtherance of their responsibility to serve manufactured housing market. While recognizing the inadequacy of the proposed plans, we do see evidence of positive impacts on low income homeownership opportunities as a result of the Enterprises work thus far. Leveraging homes that meets the specifications of the Enterprises manufactured home products, MH Advantage and Choice Home, we've seen successful projects both executed and in our pipeline that foster affordable, sustainable homeownership opportunity in communities across the country. However, the proposed plans do little to build on the momentum gained in leveraging manufactured homes as a scalable homeownership solution. The current targets, as proposed in the Enterprises 2022-2024 plans, are woefully inadequate to shift the market towards high quality, energy efficient, manufactured homes that would allow households to build wealth and break entrenched cycles of poverty through home equity. In 2020, Freddie Mac purchased 6634 single family manufactured home loans, representing just 7% of new manufactured home shipments made that year. Fannie Mae's 8798 loan purchases represented just 9% of manufactured home shipments. In reality, the percentage of new homes conforming to MH Advantage and Choice Home specifications is even lower as portions of the loan purchase volumes for both Enterprises will refinance its own existing homes. Yet both Enterprises have set their manufactured home loan purchase volume targets for 2022 lower than the amount of loan purchases made in 2020. Meanwhile, according to census figures, the industry is already on pace to produce more homes in 2021 than in 2020. We urge FHFA to direct the Enterprises to be aggressive in setting their targeted loan purchase volume and current housing needs certainly necessitate more, not less affordable homeownership opportunities. Next Step does command the Enterprises proposed efforts to conduct outreach to key housing stakeholders that have not traditionally participated in this model, such as developers and realtors. Stakeholders such as these serve as gatekeepers to America's housing market and are key influencers to help change the perception of manufactured homes. Emphasis by the

Enterprises on facilitating loan financing and fee simple developments is also critically important. Not only will this generate the opportunity for enhanced loan purchase volume, but also make meaningful progress towards addressing the current supply gap of more than 7 million affordable homes. We also recognize that purchase volumes are not the only way to move this part. Both Enterprises should consider the needs of individuals seeking to purchase a manufactured home, particularly first-time homebuyers, by investing in expanded access to housing counseling services and homebuyer education. Respective homebuyers who receive education and counseling services are empowered to make the best financial purchase decisions for themselves and their families, creating a path to greater prosperity through homeownership. The Enterprises should also explore the impact of down payment assistance for manufactured home purchases to better facilitate the homeownership needs for families. A down payment remains the primary obstacle for 77% of first-time homebuyers. Our partners at Down Payment Resource report that only 26% of down payment assistance programs in their nationwide database allow for manufactured housing. The development of pilot programs in these spaces can help determine the effectiveness in creating more sustainable homeownership by leveraging counseling services and down payment assistance. The Enterprises should also make explicit in their plans, efforts to increase awareness of their manufactured home loan products to lower income communities of color and immigrant communities. The inherent affordability of manufactured homes can help close the homeownership gap in these communities fostering improved racial equity in the housing market. By building and supporting coalitions and community based organizations, the Enterprises can ensure that perspective manufactured homebuyers have access to the tools and wrap around services they need to achieve homeownership success. In closing, to have meaningful impact on this market, FHFA must first act urgently to create a climate in which the Enterprises can produce ambitious three year plans. Second, the Enterprises must be helpful for higher standard for ambitious plans that make tangible progress towards reaching the manufactured housing market that is reflected in the proposed plans for 2022-2024. Thank you again for this opportunity and for both FHFA and the Enterprises continued work in this space.

[redacted]: Thank you Mr. Beck. Our next speaker is Mr. Bruce Thelen from Sun Communities.

[Bruce Thelen]: Thank you Toi. Hello everyone. First of all, just a brief introduction. I'm Bruce Thelen, Executive Vice President at Sun Communities. I'm responsible for the operations of our manufactured housing portfolio, which is comprised of 277 communities nationwide. Providing safe, affordable housing to more than 300,000 people across the country is something that we take great pride in at Sun and something that we fully appreciate the responsibility that comes along with it. As a large, publicly traded owner operator nationally, I can say unequivocally that the demand for high quality, attainable housing is as high as it's ever been. Applications to live in our manufactured housing communities continues to run at more than 13 times the number of available sites. Our residents are seeing the value of living in a community that treats them fair and one that reinvests in the property. Our average 10 year manufactured housing resident is over 14 years, which is double the National Housing average. The greatest challenge that our resident population faces continues to be a lack of new supply coming on to the market. As Fannie states in their plan, the median household income of manufactured housing owners is about $40,000. That’s half the median annual income of site-built homeowners more than 1/5 of manufactured housing homeowners are in less than $20,000 annually. These are families that cannot afford to purchase a $350,000 entry level single family home at almost nine times household income. This is become a structural problem at country that is making upward mobility more and more challenging. Manufactured housing is a time tested, proven solution to this problem. As the largest form of unsubsidized attainable housing in the country, it is imperative that we make lower priced homes available for Americans everywhere. New development makes sense economically and socially. However, Nimbyism continues to restrict our ability to build the needed amount of new attainable housing units. This lack of development places an even greater burden on the lower income population that needs it most driving up prices on existing inventory. I realize this is a larger issue than the underserved market plans can directly address. That said, we'd appreciate any effort that can be placed on the promotion of inclusive zoning across the country that would increase access to attainable housing. Focusing on, and this is a direct quote from the plan, the publication of research and resources, and considerations of policy changes that respond to feedback is helpful. I'm pleased to see that local zoning restrictions called out as a challenge in both the Fannie and the Freddie plans, however, we need more action. Related to the items in the 2022-24 plans, I believe the land lease community model is under represented under represented in the plans despite being a direct solution to the needs of lower income households. The tangible lending activities in both Fannie and Freddie's plans are heavily weighted towards the land ownership model. While these activities are good steps, they will not address the growing need for housing in households that make less than $40,000. At Amazon, the second largest employer in the country, the median annual income is $29,007 . Walmart, the largest employer in the country is even less. Based on Freddie Mac's home affordability calculator, assuming a $10,000 down payment, which is a stretch at this income level, the median Amazon worker can only afford a home worth $62,000. This price point is simply not achievable in a scenario where the land is included, plus additional onsite requirements such as garages and some programs. Also, the fact that many of the housing needs in our country are in high cost markets or acquiring land places an even greater burden on the homebuyer given the need for an increased down payment. When executed in a service oriented resident focused way, the land lease model reduces the barrier to entry for many homeowners. This creates more owners building equity and less renters or families being left to live in high-density apartments. We believe Duty to Serve should focus on the consumer. More specifically, those who are not being met by the market. The plans as currently presented falls short in this area. These plans just don't go far enough in increasing access to financing to individuals and families who wish to purchase a manufactured home, especially at the lower price points. FHFA should ensure that Fannie and Freddie meet the statutory Duty to Serve for manufactured housing by increasing, not decreasing their commitments to create a robust secondary market for all forms of manufactured housing. It is imperative that government financing be available for manufactured homes. It is the responsibility of the GSEs to meet this obligation which will ultimately put more families in homes. I'm pleased to see that Fannie has noted this problem in the 2022 plan under outreach, but outreach doesn't go far enough. Consumers need action. In closing, I'd like to thank you for the time. We appreciate all the efforts to improve access to attainable housing, but frankly, so much more can be done. I look forward to continuing this ongoing dialogue. Thank you.

[Toi Roberts]: Thank you Mr. Thelen. Our next speaker is Mr Nick Bertino from Wells Fargo. Mr. Bertino?

[Nick Bertino]: Can you hear me?

[Toi Roberts]: Yes.

: Okay, I apologize. Hello everyone. Thank you for the opportunity to speak today. I'm my name is Nick Bertino and I am the Managing Director with Wells Fargo Multifamily Capital Group specializing in agency financing for manufactured home communities throughout the country. My comments today will be centered around the tenant pad lease protections that are now required by the FHFA in order for traditional MHCs to meet the definition of mission driven, affordable housing. While we certainly recognize the need for these protections and that most of them are pretty benign, we have been actively engaged in numerous conversations with MHC owners as well as other agency lenders who have voiced concerns over a couple specific protections and some unintended consequences that could result from them as well as the semantics involved in MHC owners implementing the protections and the lenders obligations to verify implementation. Our ultimate goal would be to make the implementation as easy as possible so that as many borrowers as possible participate in this program. As it currently stands, implementation of the lease protections is an owner’s process for MHC owners due to the requirement that residents sign actual lease amendments or some other acknowledgment of the eight protections within 12 months of loan closing. Equally onerous is that the lender is required to perform a lease audit to confirm that the protections are in place, not only after the first year of the loan term, but each year thereafter. One concern MHC owners have is that despite the fact that these protections are clearly to the benefit of the residents it is quite possible that some residents won't sign an amendment or acknowledgement. If this occurs, the MHC owners loan can go into technical default, which can only be cured by the borrower paying a material monetary penalty for noncompliance with the lease protection program, despite the fact that their intent was to comply and they are prohibited from complying for reasons outside of their control. Now when you boil it down, the eight lease protections are simply rights that the residents are entitled to, and MHC owners are required to provide. Given this dynamic, it would be much more palatable for MHC owners to enter into this tenant pad lease protection program if the requirement is simply that they have to provide notice to the residents of the protections they are entitled to without the requirement of a countersignature from the residents. Not only will this alleviates stress on the MHC owner and their management team to chase down residents signatures, it would also alleviate ongoing audit requirements the lender is currently required to perform. We would propose that implementation of the lease protections be handled in one of two ways. Number one, require MHC owners to mail a notice of the lease protections to residents via certified mail. A signed mail receipt can be provided to the loan servicers as verification that the residents have been provided the notice of the protections. Or number two, require MHC owners to post the lease protections in the properties’ leasing office, clubhouse or other area within the property that is accept that is accessible to all residents. A photo of the posted lease protections can then be provided to the lender as verification of implementation of the protections. We would anticipate that eliminating the need for residents to physically sign a lease amendment or acknowledgement of the protections would greatly increase MHC owner participation in the lease protection program. I'm going to switch gears now and addressed one lease protection specifically. As mentioned previously, the majority of lease protections have been met with little resistance from MHC owners, as many of them are already included in standard leases. One protection, however, comes up time and time again as being problematic for most MHC owners, and that is the provision that gives residents the right to sublease the manufactured homes. The main concern from MHC owners is a managerial one in that they feel it inadvertently effects their control over the property. While the sublease protections does mention that the sublessee would have to meet the same credit standards as homeowner residence, the MHC owner is nonetheless typically one person removed from the sublessee and there's really no way for the MHC owners to confirm that the sublessor residents would adhere to their established credit and background checks which could result in undesirable tenants residing at the properties. Another potential issue with subleasing, particularly in rent control communities, is that they may encourage investors to purchase homes with a specific intent to sublease them. If an investor were to purchase a home, they can then charge rent as high as the market will bear for that home, thereby negating the affordability intended by the rent control ordinance in the first place. One final potential issue with subleasing is that Fannie Mae and Freddie Mac's current underwriting guidelines stipulate that only a limited percentage of sites within an MHC can be rentals. By allowing all residents and MHCs to sublease, properties could easily exceed the current underwriting guidelines since conceptually speaking, 100% of the homes could end up being rentals. In closing, the great majority of MHCs service either workforce housing for families or an affordable housing solution for seniors and retirees. Furthermore, MHC loans have performed exceptionally well from a credit quality standpoint. For these reasons, we believe the goal for both Fannie Mae and Freddie Mac should be to increase their lending volume within the MHC sector by making the implementation of tenant site least protections as seamless as possible, we can continue to support borrowers to provide affordable housing throughout the country. Thank you for your time.

[Toi Roberts]: Thank you Mr Bertino. Our next speaker is Mr. Maxwell Baker from the Mobile Homebuyer Broker. Mr. Baker, are you on the line? Mr. Baker, if you're on the line, please try to raise your hand in the chat or we'll move on to the next speaker and circle back to Mr. Baker. Alright so, next speaker is Mr. Todd Kopstein from Cascade Financial.

[Todd Kopstein]: Thank you Toi. I am the Chief Executive

Officer of Cascade Financial. We are a lender to people that buy manufactured housing so we've been in the market since 1999. We lend FHA, we lend VA, we lend chattel, we lend a non-agency mortgage. We are a Freddie seller servicer and we do third party servicing as well. So we are everything manufactured housing. Thank you for having me speak again. This is my third time speaking in this forum. I guess I have three comments with respect to the Enterprises plans. And I ask you to step back and with some perspective think about with the platforms that you have the opportunity that you have to really make a dent in the affordability crisis or the housing crises we have in our country. I commend you on your efforts to date. They've certainly have helped incrementally, but I think we have a huge crisis in our country and it's not getting any better. But you all have the power to make a big difference, so I would ask you as you listen to my comments think about it from a bigger picture as opposed to tweaking these plans. Think about rethinking the plans in such a way that you really can move the needle. So, my first comment I would say is stepping back to basically what I said the first time around when I spoke in this forum, which is to say you really need to focus on chattel buyers. That is the majority of people who buy homes in manufactured housing. These are the lowest income borrowers and the people that need your help the most, and the least loved by traditional lenders. The way I think the right answer is for you to do this is just as I said a couple years back, which is to say, do exactly what you do for site-built borrowers. Do a credit risk transfer transaction where the lender will keep skin in the game, the bottom of the capital structure retain the credit risk and the Enterprises can guarantee the top of the capital structure and bring down the liquidity risk or help pass through financing savings to the borrowers ultimately. This is straightforward. It's what you do already, and in fact the private sector is already priced it for you, so you can use that as a guidepost. Cascaded has done two securitizations to date, the most recent of which was in March of this year, which got rated by the rating agencies and you can see exactly how the private sector priced that risk and you can use that as a guidepost. So the data exists for the private sector, it ought to exist for the GSEs. It should not be a struggle. Okay, the second suggestion I have gets back to what I spoke about last time is on research efforts. I commend you in what I've read as to what each of the Enterprises has done or is doing with respect to research, both academic research and empirical research on manufactured housing. Fannie commissioned a research firm to rank markets where MH Advantage would fit well. I simply encourage you to make that data public. Arm those of us that can make a difference with the data. It seems like that data has gone to a limited few, but I haven't seen it yet. Freddie wrote that they would perform a quantitative analysis to identify markets that currently receive no manufactured home shipments yet offer a significant opportunity. I think it's a great project, if that's been done, I haven't seen anything about it. If it hasn't been done yet please, when it's completed, share with the whole community. I think it could really make a difference. And lastly, the Enterprises have done some empirical research, which is to say that they've tested waivers or product changes in order to help with certain lenders in order to help the product do better. Please share specifically what you've done and how you've measured success or failure with those. Help us other participants in the marketplace figure out how to move the ball. What are the things that are moving the needle that you've learned as opposed to sharing it with those few lenders and with FHFA, shared with the public. The data can go so much further. So I, that is a second suggestion I really encourage you to make as much information public as possible. The last suggestion is just to lean in, so in your mortgage purchases I ask you to rethink how you go about doing that. When Cascade goes to sell FHA and VA loans in in our Ginnie pools, we go to universal private buyers and they pay a significant premium for manufactured housing pools than they do site-built pools because they recognize there's extra value in those pools and that becomes that's because of the needed prepayment option. So there's a real premium that ought to get paid for them, and they do. If I want to sale loans to Freddie Mac or Fannie Mae, I get a discount. There's a loan level pricing adjustment discount. In other words, I pay less than TBA for selling a manufactured housing loan. That's crazy. You should be helping us not hurting us. You should be paying more, not less. So I asked you to rethink that. Either rethink that, or as you think through the guarantor fee, let us go find the investors that will pay more. We're happy to do that, but bring down our guarantee fees. That way you can pass through the economics to us as well. So I ask you to think about decreasing margin, which is already substantial for manufactured housing and helping us think through how to pass through that margin on onto the borrowers. So those are my three suggestions. Thank you for your time and thank you for everything you've done thus far on Duty to Serve. I really do think you can make a difference if you think back and step back and say, how do I really solve this housing crisis using manufactured housing, and I think when you do that, you will recognize that these plans don't do quite enough yet. Thank you so much for you time.

[Toi Roberts]: Thank you Mr. Kopstein. We did get a message about Mr. Baker from the Mobile Homebuyer Broker. Unfortunately, he will not be joining us today so I just wanted to state that before we move on. And our next speaker is Mr. Garth Reiman from the National Council of State Housing Agencies.

[redacted]: Thank you very much. Thank you to FHFA and all of the Enterprise folks on this listening session today for holding it and for the work that you all do on the Duty to Serve program and Fannie Mae Freddie Mac underserved market plans. It’s good to see you again. We've been busy this week and we're glad today to provide some feedback from NCSHA on behalf of our members on manufactured housing issues. I won't belabor the points that I've made over the last two days regarding the importance of restoring the HFA preferred products eliminating the PSPA volume caps on important affordable housing loan products Or promoting housing bond purchases and the need for product innovation and flexibility but these are all critical issues and applies squarely to manufactured housing as well as to other underserved markets. State HFAs recognize that manufactured housing can and should play an increasing role in addressing our nation's affordable housing crisis. Manufactured housing is naturally occurring affordable housing that often offers lower income families affordable long term housing with no or minimal subsidy. Manufactured housing provides an affordable alternative to many families with lower average incomes than other buyers and to purchase homes priced below what is available In the stick-built market. However, manufactured housing can still pose affordability challenges for some potential homebuyers and renters. Of particular concern are high interest loans for homebuyers that don't have access to other loan product options and high and escalating rents in manufactured housing communities without affordability restrictions and supports. In addition, poor heating and cooling can make some manufactured homes unsafe and unaffordable. Twenty eight state HFAs reported in NCSHA’s annual survey that they directly originate for purchase manufactured housing loans. Several HFAs have significantly expanded their manufactured housing activities in recent years and are ready to do more. Some of these HFAs offer homebuyers affordable manufactured housing financing options through special partnerships with the Enterprises driven by their Duty to Serve market plans. So I agree that we're making progress but I also think that we can continue to do more and to do better. Some HFAs directly originate loans for manufactured housing titled as Real Estate and are looking for good outlets for those loans. And some HFAs are natural partners for Fannie Mae and Freddie Mac as they work on their Duty to Serve plans in the manufactured housing area as well as the others. And both Fannie Mae and Freddie Mac currently working with many HFAs to meet their Duty to Serve obligations been trying to increase the number of activity in these partnerships. We encourage the Enterprises to keep seeking out opportunities to collaborate with HFAS and to continue their regular communication with NCSHA and our members. We appreciate these efforts, but believe the Enterprises can and should do more to support manufactured housing than the proposals they have put forward in their market plans. We urge the Enterprises to increase liquidity for manufactured housing through higher loan purchase goals for manufactured housing loans, increased industry outreach product variances, policy changes, energy efficiency and retrofit, financing products and continued manufactured housing community loan purchases. We also encourage the Enterprises to develop and enhance chattel loan products to establish healthy channels for prudent, sustainable and consumer oriented chattel loans. The Enterprises should also continue working with HFAS to expand credit for affordable manufactured housing communities. Much manufactured housing is located in resident owned and privately owned parks and communities. The Enterprises can and should prudently lend more to buyers and homeowners in these parks and communities. But the Enterprises manufactured home community engagement must prioritize long-term affordability and racial and social equity. Providing liquidity without safeguards could hurt people the Duty to Serve program is intended to help. We also recommend FHFA and the Enterprises inspect their lending guidelines to identify credit, income, asset, appraisal and home design criteria changes that could encourage more manufactured housing lending. We also ask FHFA to consider allowing the Enterprises to receive Duty to Serve credit for housing credit investments that support development or acquisition of manufactured housing communities for affordable housing purposes. NCSHA also urges FHFA to consider how it could amend the Duty to Serve requirements for housing bond purchases to give the Enterprises and FHFA more flexibility in using proceeds from purchases of these bonds to support manufactured housing lending and other activities and to encourage the Enterprises to include such activity in their underserved market plans. Several HFAs have suggested the Enterprise increase the promotion of their manufactured housing products to borrowers, lenders and Realtors, perhaps even offering financial incentives to lenders and buyers to expand interest in these programs. We encourage FHFA to authorize the Enterprises to provide grants to manufactured housing market leaders. These grants enable experts to build awareness that more parks and communities approved and build the capacity of manufactured housing advisors and consumer oriented organizations.

[Toi Roberts]: One minute remaining.

: Thank you. Manufactured housing offers a great resource for people who need affordable housing in good business for the Enterprises but is woefully short of its potential. We hope the Enterprises, FHFA, HFAs and others can close that gap and realize more of that potential in the coming months and years. Thank you for the opportunity to talk to you today.

[Toi Roberts]: Thank you, Mr. Rieman. Okay, so our next speaker is Mr. Adam Rust from the National Community Reinvestment Coalition.

[Adam Rust]: Thank you, good afternoon. Good afternoon and thank you for today's opportunity to participate. My name is Adam Rust. I'm a Senior Policy Adviser for the National Community Reinvestment Coalition and formally a member of the Manufactured Housing Consensus Committee. Today I will outline my organizations concerns for the proposed underserved markets plan, first with regard to loan products. While Choice Home and MH Advantage are attractive products, neither has found meaningful uptake in the market and the situation calls for reform. The status quo is not workable with moving onto an entirely new set of aims is also a mistake. The agencies should redesign these products maintaining their flexible underwriting structures to be used for high quality homes that can still be produced and purchased at scale to support price appreciation and wealth building. It starts with the cost of the homes and MHI has estimated that a Choice Home can cost between $175,000 and $250,000 when including the cost of land. So this is an engineering problem, the standard is unaffordable unless the agencies have missed an opportunity to expand homeownership among low income households. But the answer is not to shift shift course to a new product plan if we keep the end in mind, which is to create opportunities for wealth building. The aspiration must be to maintain the support and availability of a low cost flexible loan product for well made homes that will appreciate. Freddie Mac has proposed new targets for loan products, when it should instead reimagine Choice Home. And while finding a product for tribal areas is a worthy objective, it is not one that should be mutually exclusive with Freddie Mac's prior work streams, and also one that is admittedly much narrower in scope. It's a restart at a time when there is still unfinished business. Fannie Mae has proposed to research fee simple products, launch a pilot, but it did not have a purchase target for 2024 and only says that it will conduct a market feasibility study. Which raises the question of how seriously Fannie Mae is taking this effort and how likely they think it is to succeed. With loan purchase target targets, Freddie Mac should increase its purchase targets using a baseline derived from its prior three years with a commitment to increasing volume in each year of the plan. Freddie Mac's loan purchase target is a strategic and unsatisfactory under-promise built on the choice to use a baseline of 4300 loans based on a five year average even though the DTS evaluation guidances identify a three year baseline as the default way to assess a target. The low target permits it to buy fewer loans than it did in two of the prior three years and still to never exceed 2000 two thirds of its 2020 volume. Freddie Mac should instead use a baseline from the prior three years with the same 5% growth rate as proposed by Fannie Mae, leading to targets of 5375, 5650 and 5925 purchases. The commitment by both agencies for tenant pad lease protection protections is significant and very impactful, and we support it. And the next step is to strengthen certain tenant pad lease protections specifically, tenant pad lease protection 8, which calls for a right to receive at least a 60 days notice of a community sale is too short. In reality, this is not enough time for a community to qualify for financing. The notice should be expanded to 120 days. And yes, this is a regulatory fix, but nonetheless one that FHA FHFA should immediately pursue. Relatedly, is counterproductive to purchase manufactured housing community loans with TPO protections that elsewhere to buy MHC loans that will facilitate rent increases in mass evictions. Currently, the GSEs purchased loans used to buy MHCS from firms with a demonstrated track record of substantial rent increases as much as 70%, along with high fees and potentially illegal leases. Neither GSE should facilitate these transactions. The GSEs may actually be playing a role in mass evictions, which should be perceived as harmful and counterproductive to its Duty to Serve obligations, not just for manufactured housing but also for rural housing. FHFA should immediately direct the Enterprises to quit offering MH loans to borrowers who engage in this type of behavior. And if that can't easily be determined then quit offering loans that don't meet the minimum TPL protections. They should provide grants for technical assistance to resident groups seeking to buy MHCs and investments to provide equity for the acquisition of ROCs. The problem is that resident groups have very little time to organize to buy their park upon notice of intent to sell, and if they do, they become debt burdened. To give potential ROC groups the time they need to organize, it will be valuable if the GSEs could provide grants to agile technical assistance teams. These teams can arrive on site, convey options for financing and provide some of the professional services that are necessary to become a ROC. And the GSEs should also provide grants and investments to ROC groups to create equity, because to succeed, ROCs often need additional capital capital for purchase and rehab. And while foundations can provide some funds, going to scale is fundamentally constrained, and I recognize that this is an ask that reflects a strategic shift of how resources are allocated but at the moment, the Enterprises are more profitable and far, far enough profitable to justify the expense. Similar TA and equity support should be provided for nonprofit buyers as well. Last, without recent research, the propose plans fairly indicate, fail to indicate, how the GSEs will implement the research from the prior three year term, and also if they will make findings public. Three areas of inquiry seem particularly pressing, the uptake of loan products, the safety of loans, and the needs for additional marketing interventions. The discrepancy in the quality of financing may be the greatest disadvantage for the manufactured housing sector compared to stick-built housing, but given the affordability of these these homes generally, the lack of quality financing is a primary obstacle to preventing the sector from supporting the wealth building needs through homeownership. Second, how to make safer loans. Freddie Mac's "Decade in Review" paper focused on loan performance, but it was merely descriptive, it did not propose solutions. Important solutions that deserve to be considered include the question of due protections for loss mitigations, workouts, foreclosure preventions and homebuyer education leads to improved borrower outcomes and can strong protections enhance profitability. Third, determine if and how the agencies could use their market power to address known problems that may fall outside of the agencies' traditional set of institutional priorities which, but which, could support its goals for affordable and sustainable homeownership nonetheless. The agencies should consider how it can address problems with distressed units. And even with entirely abandoned communities is both undermine the sector and wealth building for its residents, and in some cases the economic development efforts of surrounding regions as well, given that manufactured home purchases by black homebuyers are only half as likely as those bought by white buyers to be secured by land. It should explore the implications for the agencies' chattel policies and how they relate to racial equity and to the racial wealth gap.

[Toi Roberts]: Less than one minute remaining.

: The market power of the GSEs can be a strong force for reforming, so to those ends it's essential that the GSEs do fulfill their obligations. We're calling on the GSEs to reform their loan product with meaningful and strong targets to align their ROC and nonprofit loan purchases with no needs to increase protections against aggressive rent increases in manufactured housing communities and to use their research program to lead an overall sectoral reform. Thank you.

[Toi Roberts]: Thank you Mr. Rust. Our next speaker is Mr. Mark Weiss from Manufactured Housing Association for Regulatory Reform.

: Thank you Toi. My name is Mark Weiss, I'm President and CEO of the Manufactured Housing Association for Regulatory Reform, MHARR based here in Washington, DC represents independent producers of manufactured housing regulated under federal law. Our member companies are located in and produce homes sold in all regions of the United States. The full market significant implementation of the Duty to Serve by Fannie Mae and Freddie Mac within the entire manufactured housing market, including home only, personal property or chattel loans; is absolutely essential to achieve the congressionally mandated remedial purposes and objectives of DTS to begin resolving the nation's affordable housing crisis and to end discriminatory impacts within the within the existing manufactured housing consumer financing system. DTS was adopted by Congress as a remedy for decades of discrimination by Fannie Mae and Freddie Mac against the manufactured housing consumer financing market and the mostly low and moderate income purchases who rely on an inherently affordable manufactured housing. As FHFA is aware, DTS was designed to expand the manufactured housing consumer financing market, which has been artificially and needlessly constrained, limited and restricted by a lack of Enterprise support. Unfortunately, though, sadly within the, at least within the manufactured housing market, it hasn't worked out that way. And now with the Enterprises' second set of DTS implementation plans under consideration by FHFA it's well past the point where they can legitimately claim or allege that they have not had sufficient time to study the market or that they still somehow lack needed information. By my count, this will be the fifth time that I have addressed an FHFA Duty to Serve listening session concerning the manufactured housing market, and the MHARR has written comments more times than that. We've also met with and spoke to every FHFA Director and Acting Director regarding DTS and it's implementation, excuse me, since the agency was established. Finally, in 2020, in a series of meetings with now Director Thompson, MHARR and its members with specific facts, figures and information, were able to show we believe that the so called implementation of Duty to Serve by Fannie Mae and Freddie Mac to date is not helping and will not help the lower moderate, will not help lower moderate income Americans excess inherently affordable manufactured housing and expand the overall manufactured housing market. So as we speak today, Duty to Serve remains an unfilled promise for the vast majority of the manufactured housing market and the vast majority of actual and potential manufactured homebuyers. People who admit and in many if not most cases are unable to afford a more costly site-built home and for whom mainstream affordable manufactured housing represents the only chance and opportunity to become a homeowner. Manufactured homes are by definition, affordable homes. They are expressly recognized as affordable by federal law. And according to a May 2021 report by the Consumer Finance Protection Bureau, quote "manufactured housing is the largest source of unsubsidized, affordable housing in the country" close quote. Fannie Mae and Freddie Mac though have failed to implement DTS with respect to the vast bulk of the mainstream manufactured housing market. According to the U.S. Census Bureau data, home only or chattel loans in 2019, the last year for which such data is available, chattel loans finance 76% of all manufactured home placements, while only 19% of manufactured homes were titled and financed as a real property. Since the inception of Duty to Serve, however, neither Fannie Mae or Freddie Mac have purchased or provided support for any manufactured home personal property loans. And now in their 2022-2024 implementation plans, they've dropped any plans for the support of such loans in the lower moderate income homebuyers who rely on them to access the industry's most affordable homes. Consequently, the Enterprises' initial 20182020 plans, their 2021 extensions and now the 2022-2024 plans, have provided and still provide no DTS support whatsoever. And again, that is support for the vast bulk of the manufactured housing market. And even within the roughly extremely small manufactured housing real estate market, the DTS footprint of Fannie Mae and Freddie Mac has been wholly insufficient. So the question becomes just who's hurt by the lack of a fully competitive DTS compliant GSE supported manufactured housing market, and we now have the the answer to that information from CFPB. Hurt first and foremost are those people who are totally excluded from the market and from homeownership altogether by the lack of DTS support. According to the May 2021 CFPB report that I alluded to earlier, the majority of manufactured housing loan applications, excuse me, don't result in origination. Only 27% of all MH loan applications result in homes being financed compared to 74% for site-built homes. And who does this hurt the most? The CFPB report found that quote "Hispanic, White, Black and African American and American Indian and Alaskan Native borrowers make up larger shares of chattel loan borrowers than among MH mortgage loan borrowers or among site-built loan borrowers". Further to this point the report states that quote "Black and African American borrowers are the only racial group that is overrepresented in manufactured home chattel lending, compared to site-built". Consequently, the lack of any DTS chattel support by the Enterprises disproportionately impacts and harms African Americans and other minorities. This is directly contrary to the policy initiatives outlined by President Biden in his executive order 13895 an executive order on advancing racial equity and support for underserved communities. And also, I would also point you to the policy statement of fair lending issued by Acting Director Thompson just a few days ago. That statement notes FHFA quote, "FHFA is committed to ensuring that its regulated entities operate consistently with the public interest by providing fair, equitable, and nondiscriminatory access to credit and housing. FHFA should and in our view, must reject Fannie and Freddie's 2022-2024 proposed plans and direct both entities to undertake immediate action designed to facilitate and implement market significant secondary market and securitization support for all types of manufactured housing consumer loans, specifically including home only personal property loans. Thank you.

[Toi Roberts]: Thank you Mr Weiss. Our next speaker is Mr. Doug Ryan from Prosperity Now.

: Thank you Toi. Good afternoon. I'm Doug Ryan from Prosperity Now, a DC based national nonprofit. We run the innovations of the Manufactured Homes program, an initiative that has been improving public policy, housing finance and residents security in manufactured housing since 2005. Thank you to FHFA for hosting these listing sessions. This is always a good opportunity to hear from hear the perspectives of my colleagues in the sector, and more importantly, seeing how Fannie and Freddie use these sessions and the written comments coming later this week to improve and implement their Duty to Serve plans in 2022-2024. New leadership at the FHFA also offers an opportunity to the Enterprises to innovate and expand their product offerings. The FHFA and the Enterprises should take full advantage of this new opportunity to fully implement the statute. In general, the Duty to Serve proposed plans for 22-24, do not go far enough and should be expanded to address the affordable housing crisis that is only getting worse and the worsening racial wealth divide in this country. To do so, the FHFA should resend Duty to Serve disincentives issued by the previous FHFA Director. Otherwise, innovation and frankly, accomplishments of the Duty to Serve goals that which should be expanded will be unlikely. The FHFA should promulgate an interim rule that revises the Enterprise capital requirements. The FHFA should also repeal its loan level price adjustments on underserved markets and revisit its unnecessary PSPA limits on so-called high risk loans. Each of these will impact the availability of credit to the manufactured housing market. The new products rule should also not be finalized. In fact, the FHFA should release guidance to encourage new pilots and products which are the only realistic means for the Enterprises to reach the underserved markets, including manufactured housing. Similarly, the FHFA should state clearly that the statute permits targeted equity investments to reach the underserved market. This is simply a plain reading of the law as enacted by Congress and signed by the President. Equity investments can support new mortgage products, including soft secondary mortgages and community purchases. As we emerge from this pandemic, the housing crisis is worse than ever. The threats of evictions and foreclosures hangover many communities. FHFA and the Enterprises have done well to mitigate this during the past 15 months but much more is needed. Prosperity Now and I'm Home appreciate the work the Enterprises have logged to meet their obligations in the MH sector, but there's much more to be done. Both Enterprises exceeded their 2020 targets for purchasing manufactured housing mortgages, real estate mortgages, but their proposed goals in the current, in the proposed three year plan must be significantly greater. Continued increases in this area will reduce costs to homeowners, extend potential GSE related benefits, and improve the acceptance of these homes in the marketplace and communities across the country. I made similar comments in October in the October 2020 listing session and yet, the challenges remain in place. As noted by the Enterprises in their plans, the limits to manufactured home production of various types, constrains the growth of the GSEs footprints. That's true, zoning a real serious issue that has to be addressed. Tariffs, immigration rules that that impact labor are significant strain constraints that must be resolved. The industry itself is struggling to meet consumer demand. That said, the goals for manufactured home mortgages mortgage purchases must be much more aggressive. The measure of goals should not be something to raise over past goal figures as the Enterprises propose, but to exceed the loan purchase volumes of previous years. There are programmatic options consistent with safety and soundness with explicit, which would benefit from explicit guidance from their regulator that the Enterprises can employ to expand their reaches in this mortgage market. The Enterprises should continue to support the use of manufactured housing in new subdivisions, as was mentioned a couple of times, particularly by Esther Sullivan at the opening, but at an accelerated pace. For example, dozens of states and localities have inclusionary zoning rules and, for example, manufactured homes could be key to delivering affordability in new developments subject to IZ, and they can do a lot more. The Enterprise purchases of refinancing loans also serves this market. Fannie has proposed ending including these in their goals while Freddie appears to continue to do so. I understand

Fannie's explanation, but I disagree with it. For example, according to the CFPB's May report on manufacturing housing finance, refinancing continues to lag the market. Mortgage rates remained historically low. Existing homeowners would benefit immensely if refinancing is a robust component of Duty to Serve. There are of course other avenues that the GSEs should pursue to expand their role. For example, they should make more accessible single closing loan products. These types of loans can remove barriers for many homebuyers, particularly low and moderate income ones. To further the also, to further the impact of DTS, the Enterprises also need to expand credit access for buyers and owners of single section homes which prevail in many markets. Older homes should also be better served by the Enterprises, and they also are in great demand again as some of the earlier speakers have noted. FHFA should also require that the Enterprises report Duty to Serve progress using the same format. I mean, I mentioned this in previous comments in previous years, but it remains a frustrating component of the of the program. As for chattel loans, we understand that new research from CFPB that I just noted, suggests that chattel loans are contrary to other reporting, accounting for fewer than half the more, the manufactured housing mortgages in that 2019 that was looked at. Nevertheless, it remains disappointing but not surprising that the Enterprises do not include this from their 22-24 plan. I get that.

[Toi Roberts]: One minute remaining.

[Doug Ryan]: While community development financial institutions and HFAs do great work in the space, the GSEs must enter this space as part of their planning process. They must revise their plans in order to serve this market which they can do soundly and safely. We also strongly support the development of mission-driven ownership of a manufactured housing communities, which is a small market but no doubt they provide security and long term benefits to residents that are not available in the for profit owned space. They also offer more robust lease protections. The Enterprises must support their community purchases through financing and refinancing, though the market is limited, the GSEs should increase their their goals in this space. And on the components of the lease pad protections, Duty to Serve, the Duty to Serve program goals must be improved. For example, lease protections are, they're solid, they are good, but they can be expanded. An opportunity to purchase components should be part of it as should a notification of rent increases. A rent increase justification based on the CPI should be included as well. FHFA must provide interim rules and guidance and support the Enterprises to develop innovative and ambitious three year Duty to Serve plans. To truly meet their statutory obligations, the Enterprises should revise and expand on these proposals which should be held to a far higher standard than in past years. Thank you for this time this afternoon. And I understand we're discussing some difficult points but thank you again for the opportunity.

[Toi Roberts]: Thank you Mr. Ryan. Okay so that now leads us to our short break session. Just seven minutes. So, at this time, we will resume back at 2:32. Thank you.

[Toi Roberts]: So welcome back. We'll now get into the second half of hearing from our guest speakers. The next speaker we'll hear from is Mr. Paul Barreto from LearnMH.

[redacted]: Thank you, thank you to FHFA, Fannie Mae and Freddie Mac for the opportunity to share my thoughts and comments on the draft of the next iteration of Duty to Serve for manufactured housing. Having written the first plan while at Fannie Mae and now serving as Executive Director for LearningMH, which is a platform to educate, inform and advance factory-built housing, I can see the progression being made and I hope my comments enabled the GSEs to meet their goals and help the industry dispel the myths of manufactured housing. Recognizing that the GSEs bring scale to manufactured housing owned titled as real property, I agree with their focus and their focus being expanding policies to be able to buy more manufactured home loans and addressed the myths and bias that still exist within the housing industry. We'd like to get to the point out there where a home is a home, and to get there we ask you to do more. It's about expanding the population of conventional lenders selling MH loans and increasing the amount of MH loans Being sold by participating lenders. So a couple of points I'd like to to touch on, the first being credit policy. It's important to continue removing any remaining policy snags where you're limiting single, wide homes being treated any differently than any comparable single-family site-built homes. As was said earlier, they are important parts of the affordable housing equation and the limitations provided that they they value out similarly shouldn't be excluding them in particular. There should be a focus on responsibly growing manufactured homes as community land trusts. That will provide the data that is needed in order to build out more product flexibilities and maybe eventually venture into working with standard manufactured housing communities. There is changes that are happening with respect to the HUD code. The HUD code will be supportive, the new HUD code, which is actually coming out I believe this week, will be supporting two to four unit manufactured homes, townhomes townhomes as manufactured manufactured townhomes and two-story manufactured homes. All of these property types that are available options in the single family lending should apply to manufactured housing as well. So I'm hoping that the selling guides from both GSEs are prepared to accommodate that so that it will facilitate manufacturers and the consumer demand to start using the two to four unit townhome and two-story manufactured home property types in order to build out the opportunities In urban infill and support overall affordable housing. With respect to appraisals, there's a lot that’s been done. I think it's important to recognize the efforts that Fannie Mae and Freddie Mac have made, given the fact that they're the ones responsible for doing the securitization. It’s a fine line in terms of telling the entity or the industry that is supposed to provide the proper valuation On how to do it when they're supposed to be the subject matter expert. So my applause for the efforts that are being made, but I request that there's a more aggressive delivery to address the friction points for appraising not only MH Advantage and Choice Home, but manufactured homes in general. The reason why training is important is because more appraisers need need the understanding, need the materials to help them comfortable in actually taking advantage of what exists today in both GSE policies, particularly when it comes to using non-manufactured homes as comparables. With respect to the topic of zoning there is a great effort being made, and a great example of what can be done in terms of GSE supports in the state of Florida where Fannie Mae provided resources to state that they support manufactured housing. There was no political intent or no lobbying. It was the fact that this business is good business for the GSEs and that they supported it. That started changing the thought and the thinking for the town council, the zoning boards and those that have the hesitation of manufactured housing are quite frankly unaware of the capabilities of today's manufactured housing. The simple ability to provide resources and make them available to the state associations at the local level will help them address at a local level the different zoning challenges that they face. With respect to multifamily, there's a lot that's being done, and I support the comments that have been made before me, but I would ask that the GSEs also focused on the expansion of the new communities that are coming online. There are new entrants such as Casada that are very focused, theme-based, driven affordable housing opportunities, and I would ask that both GSEs focus on the new entrants that are coming in and help expand and create the competition for housing. The big topic that seems to come up a lot is chattel. I recognize the limits that have been imposed on the GSEs but I proposed that they don't just stop with the work that they've done. There's a lot that Fannie Mae and Freddie Mac know and that they can offer in terms of support, so why not use their capabilities as consultants? Because the real issue is in order to create a sustainable secondary market for chattel, it's got to be led by the industry. The industry has to be able to do the simple things like create the standard data set, create a repository, share the information in order to be able to move forward. Without those resources being available, it is very difficult for the GSEs to do anything other than maybe buy sample loans and then see how they test out. I applaud the efforts being done by Cascade having done their second securitization. That should serve as a model to others in the industry, but there should be opportunities for Fannie Mae and Freddie Mac can come and support. There are a lot of connections a lot of everyday business relationships that could be incorporated provided that there's that motivation, and there's that industry coordination that occurs. And I believe that there is a stainable solution out there for chattel. I believe the GSEs should play a role, but I don't think they are the specific answer. So in closing, my request is that the GSEs stay aggressive in their commitment. Focus on innovation, evolution. Take what policies exists now and keep pushing. Make sure that the evolution that is occurring in manufactured housing today simply because of the housing gap that exists be addressed and do it in a way that is beyond the expectation. Focus on the mission because essentially what it is is affordable housing, and that's what both Fannie Mae and Freddie Mac are good at doing. So I ask the FHFA to support their efforts, give them more latitude and add more capabilities to be able to do what they do best and then see what happens. Thank you very much for your time.

[Toi Roberts]: Thank you Mr. Barreto. Our next speaker is Mr. George Allen from EducateMHC.

: Good afternoon everyone. It's been a very interesting, well, almost 3 hours now as to the speakers we've already heard. I've been busily making notes, even wishing there was a lot of stopping to maybe revise parts of my talk but that's not possible so I'll proceed as I would originally intended. Just to let you know a little bit about myself, I'm a CPM certified property manager and newest member of the Manufactured Housing Institute. I'm just coming off of forty years of community ownership. I'm the author of all the major textbooks that are presently in print relative to manufacturing housing and what I prefer to call land-lease communities as oppose to mobile home parks or manufactured home communities. And I also publish the annual, or have for 32 years, the annual ALLEN report which is the who's who of the 500 portfolio owners of land-lease communities throughout the U.S. and Canada. But with that said, my way of a little historic background to where we are today with the FHFA and the GSEs, I had the, it wasn't the pleasure but the honor of being present at a 2010 meeting, that's twenty one, that's eleven years ago, in Elkhart, Indiana when national manufacturing housing leaders were told by representatives from the FHFA and both GSEs that hence forth, the industry was on it's own when it came to Home Only chattel loans. The following, this followed, following, the following year 2009 when new home shipments hit a record low of only 48,789 units, that was down from 372,943 a decade earlier, so in other words, we were really on rough times at the time and there were good reasons for why FHFA and the GSEs distanced themselves at that time from the manufactured housing industry. However, soon thereafter, Congress passed legislation requiring Fannie Mae and Freddie Mac to affect underserved market Duty to Serve plans on three focuses. One of which is of course manufactured housing, which is why we're talking today. A year after that, at the networking roundtable I hosted in Peachtree, Georgia, the same federal entities reentered manufactured housing after only reporting a year to year and a half earlier basically with promises relative to guaranteeing Realty secured mortgages as well as sourcing and developing a secondary market for Home Only zones. Since then, however, the manufacturing industry has endured weak DTS promises to these ends during several public listening sessions in Washington DC, St. Louis, MO, and now virtually. Both… Bottom line result for me in this whole situation is I do not believe the proposed 2022-2024 underserved DTS market plans address Fannie Mae and Freddie Mac's statutory requirements to serve manufactured housing. I'm calling on the FHFA to hold the Enterprises accountable. Specifically, Duty to Serve requires the Enterprises to meet the needs of underserved consumers in manufactured housing yet the plans do little to expand financing options at this time. Although, Fannie Mae and Freddie Mac included commitments in their three year DTS plans to create a secondary market for chattel financing, to date neither Enterprise has purchased any chattel loans. Furthermore, the 2022-2024 DTS plans do not include any objectives to purchase chattel loans by either entity. They also do not significantly increase the financing for loans titled as real property. This was not the intent of Congress for meeting the affordable homeownership needs of the manufacture housing market. Fannie Mae and Freddie Mac need to reaffirm their previous commitment to buying and ultimately create a flow and securitization program for chattel loans and to expand financing in manufactured homes for all qualified consumers. Now these are remarks borrowed from, communicate from the Manufactured Housing Institute. I do want to make this, close this out with a very positive comment. The listening sessions do make a difference. It was in the listening session in St. Louise that it came out from, not only myself, but another land-lease property owner from Atlanta about the presence, increasing presence of predatory landlords. (severe audio interference) …for families and communities and having those loans are guaranteed by one or another of the GSEs. Well when that information came out, it wasn’t too long after that we learned of the tenant protections you’ve been hearing about today. And they came as a direct resort, at least in my mind, from that listening session when the FHFA and the GSEs learned that what was really happening on the ground with some of the loans that they had guaranteed. So my point is is that this is a worthwhile effort on the part of the FHFA, and FHFA and the GSEs. I appreciate the opportunity to speak with you and look forward to what the remainder of the speakers have to say and what the results are that come out of this session. Thank you very much.

[Toi Roberts]: Thank you Mr. Allen. Our next speaker is Ms. Jennifer Hopkins from New Hampshire Community Loan Fund.

[Jennifer Hopkins]: Thank you for having me and thank you for the opportunity to comment. Established in 1983, the New Hampshire Community Loan Fund was one of the first community development financial institutions in the nation, providing loans and technical assistance to extend the reach of conventional lenders, and one of our strong strategies is transforming the manufactured housing sector to better serve people with low incomes supporting both resident owned communities or ROCs and also owners of manufactured homes. We focus on manufactured housing because it's among the most affordable homeownership options, yet can fall through the cracks in the federal housing picture. We believe affordable manufactured homes are a workforce housing solution but the current affordable housing crisis means they're not nearly enough homes for sale or rent and manufactured homes are part of that solution. While the median home in New Hampshire now costs $409,000, the median price for a manufactured home is $85,000, less than a quarter of the price. So we applaud the GSEs efforts to move manufactured homes in to the more mainstream look and feel with MH Advantage and Home Possible loans. This may help end some of the stigma that people feel about the visual design of manufactured homes, but those programs have model homes that can leave out a group of people that's important to keep centered in our work and it’s people buying at the more modest end of the manufactured home price range. We also have seen a boom in placing and financing new manufactured homes on vacant lots and encourage more focus in this area to create more inventory of manufactured homes, especially at a price point that working people can afford. CDFIs can be more flexible in reaching unmet community needs like these and if this is not an area where the GSEs can lend, we would encourage them to provide grant money to help CDFIs like us to fill the mortgage lending needs in those niches. One area is to expand the use of real estate mortgage financing for manufactured homes. Because there is a very limited mortgage market, people wishing to purchase a manufactured home face major barriers to homeownership using predatory chattel loans or high down payment, high interest rate, harsh prepayment penalties. Really, the lack of liquidity for homebuyers depresses the asset value for home sellers. And while the innovation needed in the market is not any special treatment, it is fair access to conventional mortgage financing for manufactured homes that's really needed. There are still parts of the Enterprises mortgage products that limit the number of homeowners who could use them or raise the cost for the homeowners. With some key examples, I can give you in in recent guidelines, one is that mortgage loans are available for double wide homes, but not most single wide manufactured homes and for newer homes but not older ones, that this leaves out most of the manufactured home market made up of older single section homes that are still very desirable and important part of the market and also need financing. Second, I wanted to highlight that manufactured home buyers need construction loans to buy and cite the home. buyers unable to use a single closing construction loan with long down payment guidelines that make it accessible are paying more to finance the homes purchase and construction before then refinancing to get up a permanent purchase loan, essentially double the closing cost. Another to highlight for you is the credit limit example, where credit limits currently eliminate many manufactured home buyers. While the Enterprises can use something like a 620 minimum credit score, we lend with an average 620 credit score, beating half of our manufactured home borrowers who we know are successful with their loans would not be eligible for Enterprise financing, just on credit alone. The New Hampshire Community Loan funds 18 year record of successfully lending in this market has shown us that manufactured homeowners are good borrowers and manufactured homes are good collateral. Our Welcome Home loans are fixed rate, long term, low down payment mortgages for manufactured homes in ROCs or on their own land in New Hampshire, and that cover the full range of needs that people tell us that they need for purchase, refinance home improvement as well as construction loans to finance the install and setup of new manufactured homes and we still see demand is high and delinquent rates are low with loan losses of only about 2.3%. We would also like to point out the Fannie Mae New Hampshire manufactured housing community initiative as a unique initiative that could be expanded. It serves owners of manufactured homes in ROCs using existing Fannie Mae loan products through the New Hampshire Housing Finance Authority, and with streamlining of this model, we think it could be used in other states as well. And the last point I I would offer is regarding financing of equity investors that disadvantage ROC residents. So the opportunity for residents to purchase their manufactured home parks where their homes are located is an important element to making the homes affordable and available long term. Competition for the communities is fierce as well known that this asset class is a high return investment and this competition for the community ownership and the GSE financing of the community owners not only drives up park prices, it challenges residents ability to compete with the private equity money and low cost capital. In one recent transaction here in New Hampshire, the park owner had low interest rate Freddie Mac mortgages on three communities and the purchase and sale agreement with their buyer, another large investor, provided for assumption of those Freddie Mac mortgages by the buyer. And the cooperative created by the residents to purchase the communities did not qualify to assume those mortgages and the disadvantage was further exacerbated by the cost of defeasance of those same loans that led to each transaction costs being increased by over $1,000,000, paid by the residents and directly affecting the affordability of their communities. So under the guise of Duty to Serve, those GSEs are serving the investors in the manufactured home market. Buyers that already have access to private equity capital to the detriment of the homeowners that the Duty to Serve is intended to benefit. To truly benefit low and moderate income residents, the GSEs low interest loans to acquire manufactured home communities should be available to residents acquiring their communities as limited equity cooperatives or, if not available, for the residents as direct loans the GSEs should insist on resident protections, including long term leases and rent controls that maintain affordability. Thank you very much for the opportunity to comment.

[Toi Roberts]: Thank you, Ms. Hopkins. Our next speaker is Ms. Rachel Siegel from the Pew Charitable Trusts.

: Thank you so much for the opportunity to speak today. My name is Rachel Siegel and I'm a Research Officer at the Pew Charitable Trusts. PEW is a global nongovernmental research and public policy organization dedicated to serving the public. We strive to improve public policy by conducting rigorous analysis, linking diverse interests to pursue common cause and focusing on tangible results. I work on a home financing team which launched in July 2020. This team specifically focuses on manufactured housing loans, the dearth of small mortgages relative to the availability of low cost homes and the non-mortgage alternative arrangements that millions of Americans used to purchase homes of all types when more traditional loans are not accessible. Manufactured housing is one of the largest sources of unsubsidized, affordable homes in United States, and it's especially important for low and moderate income Americans. Previous to Covid-19, the U.S. was in the grip of a housing crisis due to lack of a housing supply and skyrocketing housing prices. With the 2020 pandemic, resulting recession, and boom and demand coupled with housing supply that has not kept up, makes the need for quality homes that can be built quickly and affordably even more immediate. While manufactured housing can help fill these gaps in our current stock buyers face obstacles in obtaining safe and affordable financing. This undermines the potential of manufactured housing as a solution to the supply and affordability crisis phased across America. Today I'm going to focus my comments on five key areas. Mortgage financing, retitling chattel or personal property loans, ROCs and tenant lease site protections. PEW applauds the work that the Enterprises have done to purchase mortgages for manufactured homes titled as real property. It is also noteworthy that Fannie Mae is expanding its pilot mortgage mortgage loan program for manufactured homes located in resident owned communities and also exploring mortgages on leasehold land. This is important because these populations currently are only eligible for personal property loans, which have been shown to carry much higher interest rate and have fewer consumer protections. When it's possible to allow mortgage financing for manufactured homes, we encourage the Enterprises to do so. There's another important opportunity to increase access to mortgages that neither Fannie Mae nor Freddie Mac has noted, that’s the concerted effort to improve manufactured home titling as real property so that more buyers and owners are eligible for mortgage financing. Over 3/4 of new manufactured housing that’s titled as personal property get more than half of buyers also on their land. More research to understand the underlying reasons why buyers do not retitle their manufactured homes as real property when they are eligible to do so is critical, and this is especially true if only real property mortgage loans will be purchased by the Enterprises. This research is of interest to PEW and we welcome partnership as we consider contributing factors and potential solutions. It's also important to note that right now both of the Enterprises have eliminated plans to launch personal property loan pilots. With such a large proportion of buyers and owners titling their homes of personal property, this results in the inability to make the kind of significant difference that was intended by Duty to Serve. The Consumer Financial Protection Bureau recently published research which found that black, African American, Hispanic and indigenous families are more likely to use personal property financing than their non-Hispanic white counterparts. This was true even holding land ownership constant and personal property loan borrowers had very similar financial profile to those who use mortgages for their manufactured home purchases. Unfortunately, failure to serve personal property loan borrowers is likely to disproportionately exclude minority borrowers who tend to use such loans. So now I want to turn to homes and communities. Freddie Mac's research of residential communities shows that residents are better able to control costs, make decisions that affect their homes, and greatly reduce the threat that their land will be redeveloped compared to manufactured home residence elsewhere. Investors currently have far superior access to credit backed by the Enterprises compared to residents. Giving similar access to communities seeking to buy their land is critical to improve homeowners ability to maintain financial and housing stability and security. PEW applauds both Enterprises for their focus on increasing the liquidity and purchase of loans of resident owned communities and urges both to work diligently to expand such purchases. Lastly, I want to commend both Enterprises for their success at expanding tenant site lease protections. These are extremely important for those who rent their land. However, I'd be remiss to ignore the fact that there is an entrenched imbalance of power between owners and residents in these communities. Investment in manufactured home communities has been referred to as the darling of private equity by Forbes in 2020 and has been touted as one of the best returns on investment. Investors benefit from access to multifamily loans backed by a secondary market. And they also receive discounts for offering tenant site lease protections. While we commend Fannie Mae and Freddie Mac for their success at introducing such protections, we also urge them to expand these requirements to as many communities and residents as possible in order to help homeowners remain more stably housed. PEW is engaged in research relevant to these discussions such as researching the determinants of manufactured home loan denials as well as the use of cash or non-mortgage arrangements such as rent to own or land contract to purchase a home in the absence of safe and affordable mortgages. We would welcome the opportunity to exchange insights with FHFA, the Enterprises and industry stakeholders. Thank you so much for your time and we look forward to engaging with FHFA, the Enterprises and stakeholders as we work to improve access to safe and affordable manufactured housing loans.

[Toi Roberts]: Thank you Ms. Siegel. Our next speaker is Mr. Bill Packer from America Financial Resource.

[Bill Packer]: Great, can you hear me OK?

[Toi Roberts]: Yes.

: Thank you Toi, I appreciate it. I'd first like to start by thanking FHFA for hosting these listening sessions as I participated in over the last several years. I I find them helpful not only to have direct input, but also to hear many of the other speakers, their comments, and and recommendations. I'd also like to thank Freddie Mac and Fannie Mae for their partnerships over the last several years as we've progressed our capabilities and our offerings in the marketplace for manufactured home as well as other lending products. For those who don't know, American Financial Resources is a 25 year old mid midsized residential lender and we have more than a decade of experience in both chattel lending and manufactured home real property lending. Approximately 50% of our volume is manufactured home lending and in the last 12 months we are proud to say that we made loans to over 4500 families in the manufactured home space. Regretfully, only 916 of these are approximately 25% or rather 20% were delivered to Fannie Mae or Freddie Mac. The rest primarily went to FHA and wound up in a Ginnie Mae security. Over the last three days as I've listened to all of the Duty to Serves speakers, it's it's clear to me that the Duty to Serve has the capability to help the low to moderate income individuals, serves a diverse clientele, including both rural, suburban and urban population, and that there are well documented homeownership challenges although we haven't talked about it today, in previous days we've heard well documented homeownership challenges, particularly for communities that have that are predominantly populated by people of color and other less or underserved communities. We haven't talked, talked about it today, but in previous days we've heard about the challenges that climate change is posing to many of these communities, and I think a previous speaker mentioned how that can impact the manufactured home space, and it's particularly acute for older manufactured homes. With all that said, the manufactured home lending is well positioned to address needs across a wide spectrum. In the manufactured home space because of the manufactured home process, we see a high quality product for the dollar spent. And the manufactured home itself can address shortages of homes that traditional stick builders because of the economics, simply don't make sense to be in those communities. It also can serve the unique needs of those over age 62. Folks who would like to age in place but need us a home that is on a single level because they they're worried about having to climb stairs or that need a smaller home, or that are on a fixed income and need the benefits of the manufactured home at it at its more affordable price point. Certainly the first time homebuyer market with the manufactured home being more affordable can assist communities in having home financing that that makes sense for them and for those first time homebuyers.

I think I'll turn now to ten suggestions. What do we need in the lending community? As Doctor Sullivan mentioned in her remarks, titling is an issue, so we need better education. Manufactured home dealers in our experience, tend to gravitate towards products, financing products that are quick to close, which often steers borrowers towards chattel product which tend to have a higher interest rate than the real property, and so it's to some extent a disservice to those to those communities. So I would urge education both for manufactured home dealers as well As for the general public on why titling to real property can be beneficial for them. As Mr. Kopstein remarked, the fact that there is a negative LLPA for manufactured home is a disincentive for lenders to make manufactured home loans. These are loans that already tend to be smaller size, and now we have a negative LLPA, a loan level pricing adjustment from Fannie and Freddie that further disincentivizes us. So I'd urge us to look at those LLPAs and perhaps think about resolving those. We need to see more appraisal waivers. We certainly have the data. And so we could, I believe see more appraisal waivers which would have the added benefit of making an already challenged first time homebuyer or individual who is having trouble with the down payment make these even more affordable. We need more flexibility with appraisals. If we're in a mixed community where there is both stick built and a similar manufactured home product, we need to empower the appraiser to use a similar stick built product as part of their comparison, if in their view it is comparable. Again…

[Toi Roberts]: One minute remaining.

[Bill Packer]: I'm sorry?

[Toi Roberts]: One minute remaining, I'm sorry, go ahead.

[Bill Packer]: No, that's fine. Thank you. As Doctor Sullivan mentioned, we need less restriction on on singlewide. We also need more flexibility on single loan waivers because when we make a mistake as sometimes happens in the manufactured home process, we need Fannie and Freddie to work with us to resolve those those issues. As Mr. Reiman remarked, the PSPA housing caps disproportionately impact some of these communities and so I think those should be looked at as well. And then finally I don't know what will underscore with what Mr. Beck said, although AFR has a down payment assistance program were only able to use it with FHA. We cannot currently use it with Fannie and Freddie, although we've asked for the program to be approved many times and I would urge us to look at that as well. Thank you very much. I appreciate the time today.

[Toi Roberts]: Thank you Mr Packer. Our next speaker is Ms. Leslie Gooch from the Manufactured Housing Institute.

: Thank you so much Toi. I appreciate

today's focus on the Enterprises Duty to Serve manufactured housing. It’s great to hear from all the speakers today who are contributing to this discussion from a variety of perspectives, but that there are universally interested in the Enterprises increasing their involvement and support for manufactured housing. MHI is the only national trade association that represents all segments of the factory-built housing industry. MHI’s members are responsible for close to 85% of the manufactured homes produced each year. In light of the impact of COVID-19 in terms of exacerbating the affordable housing shortage in the country, MHI believes the importance of the Enterprises carrying out their statutory Duty to Serve manufactured housing responsibilities is more important than ever and that it should be a top priority. As you have heard from other speakers today, involvement by the Enterprises in chattel financing is more critical than ever to support consumers seeking homeownership through manufactured housing. Both Fannie Mae and Freddie Mac had established goals in for their chattel for chattel purchases in their prior plans. They spent considerable time and resources to learn about and gather information and research regarding the chattel market. However, as we all know, in the end, neither Enterprise purchased chattel loans. MHI appreciates that FHFA may have raised questions about the Enterprises resuming the purchase of chattel loans. However, the GSEs retreating from previous promises to purchase chattel loans under their statutory Duty to Serve manufactured housing goes entirely in the wrong direction, away from mortgage access to credit at a time when the economy begins its recovery from the COVID crisis and at a time when the affordable housing shortage in this country has only gotten worse. With the vast majority of manufactured homes being financed by chattel, MHI believes that Fannie and Freddie cannot be considered to meet their statutory Duty to Serve without both a substantive commitment to chattel loans and performance to match that commitment. With respect to purchases of real property manufactured home loans, both of the Enterprise plans include targets to increase their purchase of real property home loans through their new three year plans. While we very much appreciate the progress that has been made here, we are concerned that the targets just are not high enough. We recommend that both Enterprises revise their targets upwards, and we urge the FHFA to require them to do so. We're pleased that both Fannie and Freddie introduced new programs that provide conventional financing for manufactured homes that have site built features. These homes have the potential to reach areas of the country where manufactured housing has in the past been zoned out by discriminatory land use regulations of the state and local level. We commend the Enterprises for their leadership in this area, and we urge them to continue these efforts, particularly with appraisers. We urge the Enterprises to provide further support on challenges the industry has seen across the board, specifically with respect to zoning, appraisals, and engagement issues. Finally, regarding the Enterprises support for the purchase of manufactured housing communities, I think it is important to point out the value to consumers that come from home ownership in for-profit manufactured housing communities. We understand that there are concerns with some bad actors who are raising rents excessively and otherwise acting in bad faith. But raising rents and evicting tenants is absolutely counter to the prevailing business model of every professional land lease community owner operator who relies upon stable rent and high occupancy. Recently MHI completed a robust independent analysis of the professionally owned manufactured home community industry to move away from anecdotal cases and help the policy makers understand the real operating conditions, the investment and maintenance activities, and typical outcomes of residents in professionally managed for-profit land lease communities. An independent consulting firm was hired and completed a comprehensive research and analytical study across well over 700 respondents residents and over 1000 professionally managed communities operation data. The independent research found the following, first, residents in professionally managed manufactured housing communities value their community management and they value the extensive offering of amenities and the ongoing investment in professionally managed manufactured housing communities. Professionally managed communities consistently improve and routinely make investments in their communities each year. Enhancing near term and long term value of the community for its residents. And finally, lease rates are competitive. Rent increases are at par or lower than other housing alternatives in those markets. We urge the Enterprises to continue their work to support for-profit land lease manufactured housing communities. That said, we have consistently argued that the Duty to Serve credit should be specifically targeted to supporting the financing for the consumer. We encourage FHFA to move the Enterprises back to a consumer focus when it comes to their activities for Duty to Serve. Again, we appreciate the Enterprises support for land leased manufactured housing communities, and we do hope that that support will continue. However, within Duty to Serve, we strongly encourage a concerted focus on creating a secondary market for chattel financing so that residents in the land lease communities can also be supported. In closing, MHI appreciates the efforts by FHFA, Fannie Mae and Freddie Mac to comply with the Duty to Serve manufactured housing mandate. However, for Duty to Serve to truly succeed, the emphasis must be on performance, accountability and transparency. Thank you for your consideration of my recommendations. This concludes my remarks.

[Toi Roberts]: Thank you Ms. Gooch. Our next speaker is Mr. Scott Olsen from Olsen Advocacy.

: Thank you Toi. Again, my name is Scott Olsen and in full disclosure, I do work for the Manufactured Housing Institute but as some of you know, I was previously the democratic Housing Policy Director and top democratic housing staffer for 15 years for the House Financial Services Committee until I left about a decade ago, and it's in that capacity that I'm making these remarks. In fact, while working on the committee, I personally developed the concept of Duty to Serve, and I drafted the language that finally became law in response to a directive from my boss, Ranking Member Barney Frank. He then worked closely on a bipartisan basis with Housing Subcommittee Chairman, Bob Ney, who developed the critical rural component of Duty to Serve. Fannie Mae and Freddie Mac are government sponsored entities in one form or another, they've had either the explicit or implicit backing of taxpayers. We expect something in return for that guarantee, that the GSEs will not operate surely as profit maximizing entities, but will also fulfill their charter duty to create a secondary market to serve our housing needs. Since 1992, the GSEs have had housing goals. Despite the nonsense put out by some that the goals had a role in the 2008 housing crisis, goals simply create numerical requirements that the GSEs portion of low and moderate income loans does not lag the general market. Simply put, the GSEs can't use their government guarantee to skim off the better borrowers. Unfortunately, around 2005, Congressman Frank understood that the goals could not be, that the goals could be met without serving certain important segments of the housing market. And the precipitating development was that we were of this was that we were seeing a reduction in the number of manufactured home loans being purchased by Fannie and Freddie. At the time we also witnessed a well a general unwillingness by the GSEs to underwrite and purchase loans for federally assisted low income housing developments, particularly for housing preservation. So we crafted a Duty to Serve requirement, which became law as part of HERA in 2008. I won't take up your time summarizing Duty to Serve, but put simply, the GSEs must serve the underserved markets of manufactured housing, affordable housing preservation and rural housing, and as part of this duty, they have to purchase these loans, develop innovative loan products, and do outreach to lenders. I want to make three critical points about Duty to Serve.

First, this is not a requirement to purchase loans that the GSEs expect to lose money on. Instead, it builds on their charter, which already created an explicit requirement to purchase loans that serve the market but have a lower rate of return. Second, this is not a general Duty to Serve, but specific Duty to Serve three markets: manufactured housing, affordable housing preservation and rural housing. Third, and probably most importantly, these three markets were singled out because of two key factors that helped explain why Fannie and Freddie were not fully serving them, even though they could probably lend in them. The first factor is that manufactured home, affordable housing preservation and rural housing loans are lower volume loan areas. A profit maximizing entity wants to make cookie cookie cutter loans with high volume, but none of these three areas have the broad impact of generic single family or multifamily loans. Second, they involve somewhat more work and understanding on the part of the GSEs. In the case of manufactured home loans, there are substantive difference between site built homes and manufactured homes. In the case of programs like Project Based Section 8, there are challenges such as the need for government rule of assistance and other low income project requirements. So, prior to adoption of Duty to Serve in 2008, instead of the GSEs rolling up their sleeves to understand the Section 8, Section 236, and RHS multifamily loan program so they could make a lot of these loans, instead we saw unfortunately GSEs making their housing goals by artificially parking large number of multifamily loans with an agreement to sell them back after they counted in the goals. Finally, let me go to the specific topic of today's listening session, manufactured housing. Again, acknowledging that I do work for MHI, my comments on this subject will reflect my personal thoughts arising out of manufactured housing being the impetus for Congressman Frank creating Duty to Serve in the first place. First, regarding real estate backbones, both Fannie and Freddie are proposing in their 2022-2024 plans to purchase fewer real estate back manufactured home loans in 2022 than they did in 2020. Since, as I explained, a retrenchment in GSEs purchase of real estate backed loans, manufactured loans, was the precipitating factor in creating the Duty to Serve, I would expect this proposed proposed reduction to come under some scrutiny. More importantly, the benchmark for evaluation should not be the proposed numbers in their Duty to Service Serve plans, but their actual volume of purchases. Second, a big part of the recent discussion on manufactured housing has been about chattel loans. In spite of what some parties in Washington erroneously claim, the statute does not explicitly require Fannie and Freddie to purchase chattel loans. Instead, says that regarding GSE compliance with

Duty to Serve FHFA, quote “may consider loans secured by both real and personal property” unquote. So what does that mean to me as the Staffer who actually developed the statutory language I just quoted here? To me it says that Fannie and Freddie must make a good faith effort to determine whether they can purchase chattel loans in a financially responsible manner, and if they can find a way to do that, they should or must do so. It does not mean Fannie and Freddie can decide not to purchase chattel loans because chattel loans are more complicated than other single family loans, it does not mean Fannie and Freddie can decide not to purchase chattel loans because they have a lower potential loan volume, and it does not mean Fannie and Freddie can decide not to purchase chattel loans simply because they might be slightly riskier than real estate back loans, particularly since they can pursue offsetting financial strategies like LLPs and risk sharing.

: One minute remaining.

[Scott Olson]: In closing, thank you. In closing and moving beyond manufactured housing Duty to Serve in general, I believe the debate over the proper role of Duty to Serve will only increased in importance as the GSEs potentially move out of conservatorship. When that happens, when and if that happens, pressures to maximize profits will only intensify. When that happens, pressures to focus on high volume cookie cutter loan business will only intensify. And that means that a strong and vigorous application enforcement of Duty to Serve will be more important than ever. So thank you for this opportunity to make a presentation.

[Toi Roberts]: Thank you Mr. Olson. Okay, so our next speaker is a longtime advocate for manufactured housing with a longstanding career background working at HUD and Ginnie Mae, Mr. Phil Schulte.

[Phil Schulte]: Well thank you Toi, and good afternoon to everyone that is on this call. I appreciate the Federal Housing Finance Agency conducting these few listening sessions, which I think are an important way to get public input. As was stated, I have a background from manufactured housing finance, construction regulations and also with secondary market operations. So it's given me a wide perspective on what the potential is for manufactured housing to be a housing solution for the American people. I submitted a number of written comments to do cover some of the questions in the duty, of the RFI concerning the Duty to Serve plans, and given that we've heard so much today, I'm going to keep my comments very brief. There are four main areas that I would like to talk about. One is the Duty to Serve plans concerning the rural housing market. The second is a subject that doesn't get enough attention, which is safety and soundness in program administration and planning. The third is equity inclusion and diversity in terms of providing credit and the last is just a few sentences about what could be a possible path forward for the chattel loan program. So first I noticed in the Duty to Serve plans that Freddie Mac had proposed what you'd call a tailored solution for rural housing lending which would allow some non-conforming loans and other exceptions from the typical requirements. It also made a commitment to continue to work with the consumer development finance agencies and others to learn from the experience and also to continue to support it. That is exactly the kind of tailored loan approach that would be very effective for the manufactured housing chattel program or personal property lending. Under the second area would be the the subject of safety and soundness. Both of the Enterprises have indicated that there were concerns by the FHFA about the safety and soundness of personal property lending. I didn't see exactly what they were, but I thought that I might give some additional input, and that input is detailed in my comments that are posted on the website about those things. There's basically four areas covered. One is of course the default risk, the second is the severity and losses from repossessions, the third is pricing, proper pricing for the guarantee or risk, and the fourth is just setting up a really strong, well founded and properly administered loan purchase program. First concerning the subject of the safety and soundness default risk. One of the challenges in lending has always been for me is deciding of the many things that are proposed for origination and underwriting standards, which are the ones that are the most important in terms of defining default risk. Based on the research done by the Federal Housing Finance Agency, we are beginning to get some answers for those things, and those are detailed in my public comments. The second area is I provided some information about the frequency and losses from repossessions based upon security filings, which also should be an important part of the agency's thinking about chattel loans. The third is having to do with guarantee pricing and also setting up a sound program. I think I have very great confidence that the Enterprises can develop proper loan prices, proper guarantee pricing and also a strong lender program with proper lending standards and proper loan and origination and servicing standards. That's essential for this being an effective program. The next area I would like to talk very briefly about is equity diversity and inclusion. And I'd just like to quote briefly from the Consumer Finance Protection Agency, which in effect had a very interesting quote about the chattel loan program versus the rest of the single family industry, and they said that compared to mortgages chattel loans have higher interest rates, shorter loan terms, lower loan amounts, fewer consumer protections and are really refinanced. I don’t think that anyone can be satisfied with that as the housing choice for unfortunately way too many American people. So I hope that in looking at this issue and the affordability housing crisis in America that the agencies will take another look at the importance of having personal property financing to promote equity. It also promotes the additional choices for people of color and other communities that have not had access to as much financing. The last area I’d like to cover very briefly would be what a program for purchases could look like. In the Duty to Serve plans, the agencies of the Enterprises have proposed to make $3 billion worth of mortgage purchases in high needs rural areas. This is this is a very substantial effort and I commend them for taking that level of effort. In these same high needs rural areas, manufactured housing is 15 to 20% of the housing supply and needs support, along with other mortgage lending. A Duty to Serve personal property lending program that does even a fraction of that would have a major impact in providing additional housing choice for the American people, and I think it can be done in a way that is both safe and sound and will eventually make manufactured housing take its place as one of the premier affordable housing solutions. Thank you very much for listening.

[Toi Roberts]: Thank you Mr. Schulte. Okay, and so our next speaker has provided a written statement and we will have that read out to you. In doing the honor of reading out the written statement for our next speaker is our Managing Director of Duty to Serve, Ms. Marcea Barringer, reading out the written statement from Tony Kovach.

[Marcea Barringer]: Hello everybody. As Toi said, due to technology issues that the next presenter had at a previous FHFA listening session, FHFA will read the following statement from Tony Kovach of MHA, sorry MHProNews.com. Please note that the following statement reflects the views of the author and my reading does not represent any endorsement of these views by FHFA. Just bear with me for a moment while I open this.

: Connecting the dots. It's widely believed that America is in an affordable housing crisis. An impressive array of decades of third party research documented how HUD code manufactured homes are myth defying. Manufactured homes are the most proven form of affordable housing in the U.S. Rival factory building Modular Home Builders Association’s Director, Tom Hardiman, said “I will never make a disparaging remark about a manufactured home. It is a viable and affordable housing solution that is much needed in this country”. Hardiman said the Clayton backed MHI branded Cross Mod Homes are deceptive. He argued that

Cross Mod undermines the value of millions of existing manufactured homes. During the March 2021 Duty to Serve listening session, most presenters like myself presumably did not know in March that the GSEs would later announce that they would not be offering any support for home only or chattel lending for manufactured homes. That blatant withdrawal of support for manufactured housing’s most used lending, chattel loans, flies in the face of the key purpose of the Duty to Serve manufactured housing. Say, who says? Kevin Clayton in comments to Congress on behalf of Clayton Homes and MHI. Kevin said “the lack of liquidity and credit in the manufactured housing sector has limited financing options for our homebuyers. Kevin blamed zoning and placement issues failure to properly implement the enhanced preemption of manufactured homes under the Manufactured Housing Improvement Act of 2000, and the failure for, failure to implement the congressionally mandated Duty to Serve manufactured homes among the fan, factors for the decline in home sales and activities within the manufactured housing market coincides with a number of challenges. MH Pro News analysis on Kevin's comments noted similarities to much that March way, Mark Weiss JD, CEO of MHARR, has said on those topics. That does not mean that Kevin and Mark Weiss see the DTS process precisely the same. Weiss said on March 21, 2021, that the DTS process has been exposed as a shell game. Sadly, Fannie and Freddie are seemingly demonstrating Weiss’ claim. Note to users, FHFA said they will post these written comments which hotlink the evidence for these statements and allegations on their website. Each quote and reference are linked to the evidence. Kevin Clayton told Congress “MHI and its members have long demonstrated to rating agencies, investors, Fannie Mae, Freddie Mac and FHA, Ginnie Mae and others that manufactured housing lenders operate within a disciplined lending environment. Despite this performance, the GSEs have had little involvement and displayed little interest in financing, excuse me, and securitizing manufactured home loans. Less than 1% of GSE business comes from manufactured housing and none of that comes from manufactured housing personal property loans. Clayton’s statement on securitizing merits a brief explanation. To oversimplify when a lender makes or originates a home loan, they either keep that loan on their own books or they sell the loan off to the secondary investor market. In his comments to FHFA, former HUD and the FHA loan program official, Phil Schulte, carefully documented pages of reasons why the GSEs could safely and sustainably securitize chattel lending under DTS. Doug Ryan with Prosperity Now accused MHI and Clayton Homes of thwarting the implementation of Duty to Serve personal property lending on manufactured homes. Said Ryan “this capital access advantage held by Clayton Homes and their affiliated lending is likely why it and MHI have been unwilling to effectively criticize the exclusion of chattel loans from the DTS rule, even though such loans could bolster manufactured home sales by attracting the lenders. Ryan said it was time to end the monopoly Clayton Homes had over the manufactured housing market through finance. Bud Labitan et al in their book pro Berkshire book Moats, The Competitive Advantage of Buffett and Munger Businesses said this about Clayton Homes and their affiliated lending, "Buffett said, "we are in no hurry to report income, have enormous balance sheet strength and believe that we are over the long term the economics of holding our consumer paper or superior to what we can now realize through securitization. So Clayton has begun to retain loans. Labitan's Moats book was published in 2012. Labitan described events circa 2003. Buffet's "Clayton has begun to retain its loans" strategy was precisely what occurred, as Buffett, Berkshire's books and Clayton have said. On November 5, 2020, MH Pro News reported a tip from an MHI insider. That insider said that Tim Williams, CEO of Berkshire owned Clayton Homes sister brand, 21st Mortgage Company, had said this. With MHI members present, Williams said he was happy about the GSEs Duty to Serve pilot program for manufactured home chattel loans pilot programs failed. MH Pro News reported that some six months before Freddie…

[Toi Roberts]: One minute remaining.

: Fannie Mae and Freddie Mac made their respective announcements that proved Williams' words and that tip to be correct. This begs the question, how could Williams and 21st have known that the GSEs were going to do six months in advance? Isn't it obvious there was illicit, if not illegal, market rigging collusion between Williams, 21st, Fannie, and Freddie. Abraham Lincoln famously observed that no man has a good enough memory to be a successful liar. More specifically, Honest Abe might have said that no one can successfully sustain a serious deception for years when they routinely publicly comment to various parties. Disconnects are found in the details. Liars, deceivers, and con artists may sooner or later contradict themselves. Different than his posturing for Congress, Kevin Clayton said in a video interview with the transcript on MH Living News to pro Berkshire interviewer, Robert Miles, that Warren Buffett is very competitive. He paints an image in each of our manager's minds about this moat, of this competitive moat and our job is simply simple and we share this, deep and widen your moat to keep the competition out. Some of our competitors do a good job, but our plans are to make that more difficult for them. Warren Buffet has spoken about his purportedly monopolistic moat method.

Buffett bragged that there is a class warfare and that his class, the billionaire class, are winning such a durable, competitive advantage of holding Clayton’s loans on Berkshire’s books would only work if Clayton and Berkshire could keep the limit or thwart the DTS chattel loan program and the FHA title one home only loan program. Either magically or by dark design, FHA title one has been severely limited via the notorious 10/10 rule. Thirteen years after DTS was enacted, there is no personal property lending on manufactured homes. Meanwhile, there is DTS lending on land-lease communities or what Hardiman calls the deceptive and far more costly and market failed Cross Mod project. Congress established financing for affordable housing. This was turned on its head and by financing products and communities for so-called predatory firms that are often MHI members. Manufactured home residents say the status quo creates less affordable housing. Democratic life lawmakers, including current House Financial Services Committee Chair, Maxine Waters, citing the Seattle Times, made a similar comment to Ryan’s. Democrats asked the CFPB and Justice to investigate because Clayton’s lending placed minorities and others at a monopolistic disadvantage. Buffer responded by saying he makes no apologies for Clayton with lending. So, consumers today as the industry's most affordable manufactured homes are excluded from chattel home only lending under DTS given Clayton's chokehold on lending, is it surprising that the CFPB reported that some 2/3 of all such manufactured home loans are by Berkshire owned 21st or Vanderbilt? Joe Biden said in a White House executive order signing ceremony that capitalism without competition isn't capitalism, it’s exploitation. This evidence based combination of facts is either the world's biggest coincidence or a dark conspiracy hiding in plain sight to illegally manipulate the manufactured housing market. The Hobbs Act should be explored because there is fear sparked in our industry by some that they will be targeted if they speak out. Let's recap. Samuel Strommen at Knudson Law said in his well footnoted research that he sees evidence of felony antitrust violations that appear to violate RICO laws. Strommen’s research was reportedly reviewed by attorney Thomas Horton. Horton is a law professor that specializes in antitrust law and consumer protection. As my March 25th comments documented, Tim Williams of 21st issued a letter cutting off financing to thousands of manufactured home real retailers that Strommen and others have said is a prima facie antitrust violation. Kevin Clayton said that some 700, sorry, 7500 manufactured home retailers vanished in the wake of the manufactured home downturn. That downturn paralleled the Buffett moat and notorious letter by Williams at 21st. Clayton said over 200,000 jobs were lost and over 160 manufactured home plants closed. Clayton, 21st, MHI, associated attorneys and Berkshire Hathaway were given a documented opportunity to disprove or deny allegations made by Strommen and others. They declined to comment. MHI has repeatedly ducked these issues. So, the allegations stand publicly unchallenged. The Biden 2020 campaign website promised transparency for federal agencies. Let's get authentic transparency by examining these badges of fraud. The FHFA Inspector General should initiate an investigation into evidence based allegations. They have harmed millions, including minorities, seniors, those on lower and fixed incomes. MHARR has repeatedly called on Congress to investigate the apparent corruption of the DTS process. The GAO and the DOJ should be investigating too. Thousands of manufactured home independents have been harmed by apparently corrupt, conflicted, rigged, and seemingly illegal processes. Congress, state level lawmakers and others that can access subpoena powers and take testimony under oath should probe these concerns in a transparent manner. Whatever motivated investigators to discover that appears illegal should be appropriately prosecuted. A postscript with additional links, illustrations and more information are part of this document that will link to the facts, evidence based allegations, and related reports. Thank you.

[Marcea Barringer]: And that concludes the reading of Mr. Kovach’s statement. I’ll just take a breath and say before the Enterprises respond, that I really want to take a minute to thank all of our presenters today, for sharing their comments, and for the audience for attending today's very long but very thought provoking session. FHFA appreciates the diversity of views expressed on the manufactured housing market today and the knowledge that all the speakers have of this market. We will take all of the remarks that we heard today as well as the comments posted on FHFA.gov in response to our request for information about the underserved market plans in to account as we continue to work with the Enterprises on their 2022-2024 underserved market plans for Duty to Serve. One change I just wanted to note that at least one commentor brought up that we've already made recently is to approve a recent policy change to allow individual written notice to residents of manufactured housing communities that add tenant pad lease protections through a rules and regs change as opposed to adding it to the lease. So we look forward to continued collaboration with all of you and thank you for your participation once again. Toi?

[redacted]: Thank you Marcea. So we will now begin to hear closing remarks from the Enterprises. First up, we will hear from Freddie Mac. Speaking from the Freddie Mac Duty to Serve team is Mr. Mike Dawson, Corey Aber, and

Dennis Smith.

[Corey Aber]: Thank you, thank you Toi. And sorry for the delay in getting my video going. Thank you so much to everybody for for all of your comments today. Very helpful to us as we look to finalize our plan this year and keep working on things not just this year but in the years to come. Now I really appreciated all the focus on needs of tenants and tenant protections as well. See this is very much in line with our priorities and we've actually, we've organized our core MHC business around this so that, around tenant protections and ROCs so that now we're seeing the majority of the loans that we’re quoting are loans that are committing to put these protections in place. So very important to increasing the adoption of the protections. And as Marcea mentioned, already working on ways to make this easier to adopt and reach more communities. So again, we're going to take all of your comments into account as we look to finalize the plans and, Dennis, I know you have a thought or two to share as well.

[Dennis Smith]: Thank you Corey. And again, I want to thank each and everyone of you. Those who spoke and those who either submitted responses online or plan on submitting responses on and comments online. This feedback is really critical as we look to refine our 2022-2024 underserved market plans. We’ve made progress and recognize now that there's much more to accomplish in this space, and Freddie Mac recognizes the important role that manufactured housing fills in safe energy efficient and affordable housing. We look forward to working with you to move the manufactured home market forward. So thank you again for your comments. Toi?

[redacted]: Thank you Mr. Smith. Alright, so now we will hear from the Fannie Mae Duty to Serve team with Mr. Mike Hernandez.

[Mike Hernandez]: Thank you Toi, I really appreciate it. And thanks to you and Marcea for running such a great program the last three days. I know it's a lot of work to organize and facilitate, and I know all of us at Fannie, and I’m sure Freddie Mac as well as well as everybody that was on the phone really valued having these sessions and hearing the speakers. To all of you that provided us feedback, it was well received. I got pages and pages of notes and especially items that are actionable. That was what primarily we were listening for and how we can begin to adjust the plans to really make even more impact. You gave us a lot to consider and we really, really sincerely appreciate that. It's always good to get challenged to do more. That's how we learn. That's how we grow. But I also want to assure you that everyone, everyone at Fannie Mae from our CEO to our summer interns come to work every day focused on how we can support wealth creation for families, how we improve the lives of homeowners and renters, and how we ensure equity across all our initiatives, Duty to Serve is just one critical component of all the efforts that we have underway to serve our critical mission of housing for this country. Our leadership is becoming, our leadership in becoming world class ESG company, our green financing leadership, our leadership in disaster response and our leadership now in racial equity efforts are just some examples of how we're stretching further to meet the moment and helping to change the housing industry for the better. Most of that work is not captured in Duty to Serve, but it's critical to the support of all our activities in Duty to Serve, and it's critical to what we are and what we do every day. So I wanted to be sure that you had that context. We welcome your specific feedback and especially as you submit your comments in writing to let us know what we can do in the near term, how we can pivot to have the most impact. All of that will help us work with FHFA to prioritize those recommendations and to be able to take action. So, again, thank you so much for your thoughtful comments for your information and your feedback. I'm going to turn it over to Jose Villareal and Ben Navarro, two of our Duty to Serve team members who will give you a little bit more of what we heard in today's comments. So thank you again.

[redacted]: Thank you Mike. Hi, my name is Jose Villarreal and I am Fannie Mae’s multifamily due to disturb initiatives for manufactured housing. So I just want to thank you all for your comments and your feedback on these very important issues that impact manufactured housing. Many of you have played vital roles in advancing our Duty to Serve mission and impact during the first cycle. Many of you have partnered with us, collaborated with us on development of products and enhancements for not only tenant site lease protection, but also for nontraditional manufactured housing communities. Many of you have become early adopters of these new products, and we thank you for leading the market by example. We're pleased with our progress that we've made so far in the first cycle but we know that there's more work to do. For tenant site lease protections, we believe in creating greater awareness, greater ease of implementation and compliance, and overall standardization of the protections. The product is gaining momentum across the industry as more community owners realize the importance of having these protections in place for their residents. Since the launch of the program in 2019, we required 16,000 units with tenant site lease protections across 130 properties. Providing protections to residents that are not included in their standard site lease or required by state or local law. In 2020, based on lessons learned and market feedback, we released enhancements that ease some of the operational burdens of implementation and compliance of the protections which resulted in a greater uptake of the program. We went from 23 properties in 2019, to 107 in 2020. Fannie Mae will be releasing new enhancements in this quarter, as Marcea had mentioned. And we hope that that will also increase the uptake of a program, of this program. We want to thank FHFA and Marcea for their acceptance of our proposal for these changes. We also remain extremely focused on developing solutions to increase liquidity to nontraditional owned MHCs such as nonprofits, governments, and resident communities as these entities serve to preserve the affordability and the security of living in manufactured housing communities. We launched product enhancements that reduced the cost of capital to nontraditional manufactured community owners and also residential communities. We've heard on the call and understand the tart, the need for targeted equity investments. And we'll work with FHFA to explore this potential solution and other solutions mentioned on this call. And we thank you for your insightful and impactful comments and we look forward to your continued continued partnership through our second cycle of Duty to Serve. And I'll pass it to Ben.

[redacted]: Thanks Jose. And thanks everybody who shared your feedback with us today. From a single family perspective, we've been pleased to hear validation on some of our efforts outlined in our 2022-2024 plan. We're pursuing MH titles as real estate in both fee simple subdivisions and in leasehold settings because we're aware of early but promising efforts to expand the reach of MH in these types of locations. We also agree that lower cost MH is critical to serve LMI borrowers. So we believe our late 2020 policy change allowing some single with manufactured homes is a valuable contribution to the market. We also acknowledge the limitations on older single-width homes and are working on making it more available to more borrowers who need such financing. We also heard loud and clear that a great deal of our work, including some research and analysis, is not accessible enough, which limits its potential impact. We'll take that to heart in the future, but I'll note that we're getting ready to publish some research on the geographic distribution of our loans to the public, and our 2021 plan also calls for us to publish summaries of much of our work, including efforts related to product development and to industry outreach. Regarding loan purchases, I'd like to share some context on how we arrived at those numbers. We set a 3 year baseline based on the average of 2018 to 2020 purchase money mortgage loan purchases, and we plan to pursue steady growth over and above that baseline as the next plan cycle progressives. Mr. Ryan noted that he understands but does not agree with our decision to consider only purchase money mortgages in our loan purchase goals. This is a truly valuable piece of feedback and something we would like to discuss further. But I will note that Fannie Mae will continue to finance manufactured housing refinances as they have been and will continue to be a significant portion of our total business. Our motivation to focus on purchase money mortgages is largely driven by the inherent predictability of refinances, and the challenges of setting goals 3 1/2 years in the future. Regarding MH titles, personal property, or chattel, we've got a lot to process and we look forward to reading your comment letters. Thanks again for contributing your time and your expertise today, and so often throughout the past several years as well. We look forward to continued collaboration, thanks.

[Toi Roberts]: Thank you Mr. Navarro, and Freddie Mac and Fannie Mae Duty to Serve teams. This now brings us to the end of our, of today's session on manufactured housing and concludes our series on the Duty to Serve public listening sessions on the Enterprises' 2022-2024 underserved market plans. Thank you all again for joining us at these sessions. We really appreciate and value your feedback. The public comment period closes on July 17th. So there's still time to submit your comments. July 17th does fall on a Saturday and I just want to note that that does conclude on Saturday, it does not extend to Monday. To submit your written comments we would encourage you to visit our Duty to Serve website at www.FHFA.gov/DTS. That concludes our session. Thank you.