



March 16, 2017

Mr. Jim Gray
Director, Duty to Serve Program
Federal Housing Finance Agency
400 7th St. SW
Washington, DC 20024

Request for Input (RFI): Support for Chattel Financing of Manufactured Homes

Dear Jim:

On behalf of Cascade Financial Services, LLC I'm very pleased to submit comments in response to FHFA's January 2017 RFI regarding The GSE's inclusion of chattel manufactured home loans in relation to Duty to Serve requirements. As you and I have discussed, Cascade provides financing options in 36 states for consumers purchasing Manufactured Homes. While our focus has been primarily new MH homes being sold as real estate, the true demand in the niche is for financing on personal property. Unfortunately, Cascade's ability to provide financing to these affordable housing consumers is severely hampered by the lack of a secondary market for chattel collateral.

There is currently a tremendous lack of competition in the chattel space due primarily to the lack of a secondary market. The only companies able to provide financing are companies who are able to keep the loans on Balance Sheet. As you can imagine the number of lenders who have this type of capacity are extremely few. Unfortunately, lack of competition very rarely, if ever, benefits the consumer.

Due to the ratio of MH units financed as personal property vs. real estate, I strongly believe that the GSE's should be required to include a chattel program in order to fully qualify for DTS credit.

Cascade has taken an extremely proactive role with the GSE's and is willing to share any and all information on our chattel loan products. As a lender who has specialized primarily in FHA Title II and VA loans for affordable housing consumers we know that lower credit score, lower down payment loans can and do perform. The key is meeting strong underwriting criteria inclusive of ATR and having a strong high touch servicing platform to ensure that consumers have every possible option of staying in their homes.

As always, I am more than happy to discuss further, as well as participate in continuing dialogue with FHFA and The GSE's. I appreciate your interest and focus on this.

Sincerely,

Cody Pearce
President
Cascade Financial Services, LLC