



National Association of Real Estate Brokers, Inc.

9831 Greenbelt Road - Suite 309 | Lanham, MD 20706

December 6, 2019

The Honorable Dr. Mark Calabria
Director, Federal Housing Finance Administration
400 7th St SW
Washington, DC 20024

RE: Duty to Serve Comments

Dear Dr. Calabria,

Thank you for the opportunity for the National Association of Real Estate Brokers (NAREB) to comment on the importance of the Duty to Serve policy in the secondary mortgage market. NAREB has since 1947 been an advocate for black homeownership and is comprised of black real estate professionals from more than 30 different states across the country. Currently, we are concerned that the black homeownership rate across the country now sits at 43.9% as of Q3 2019. Even though this number is the highest third quarter number in 4 years, it still does not reach the numbers that were seen pre 2008 while our white counterparts have all but recovered from the crisis. This fact provides us with a relevant backdrop to our continued support for the Duty to Serve standard, and yet we also feel as though there could be some improvements that will prove to be beneficial in closing the homeownership gap. For the duty to serve rule to be effective in offering low to very low, low, and low-moderate income households the products they need to become homeowners, NAREB would like to offer these following suggestions:

- Add a race and ethnicity component to the GSE's mandate for Duty to Serve
 - Specifically, requiring the Enterprises are required to provide leadership in developing loan products and flexible underwriting guidelines to facilitate affordable homeownership.
- Greater Investment in the Preservation of affordable homeownership
- Greater Investment in outreach and homeownership grants in underserved markets
- Elimination of Loan Level price adjustments/ pricing of loans
- Additional loan products for Distressed property financing
- Role of minority trade associations in shaping underserved markets plan to promote and bolster black homeownership
- National Marketing campaign in partnership with GSE's to target the more than 1.7 million mortgage ready black millennials
- Monitor approved lenders for their fair lending performance
- Stop buying loans from lenders that redline black communities and discriminate in underwriting and pricing of mortgage loans
- Increased diversity on GSE Board of Directors

When the duty to serve rule is fully realized, the potential for this rule to be impactful for communities of color in all types of markets is promising. However, it is imperative that we stay vigilant and thoughtful so that unintended consequences do not lock out the communities the rule was intended to help. NAREB believes that the aforementioned remedies are able to help the FHFA and the GSE's use the Duty to Serve rule to navigate the current and future needs of the housing market. Thank you for the opportunity to comment on such an important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Thompson', with a long horizontal flourish extending to the right.

Antoine M. Thompson
National Executive Director

cc: Donnell Williams, National President
National Association of Real Estate Brokers