

Public Response to GSEs Proposed Duty To Serve Plans

California Housing Finance Agency has reviewed the GSE's Proposed Underserved Market Plans and would like to provide its input on the proposed underserved market plans. Input relates to activities and objectives in regard to Manufactured Housing for both manufactured housing titled as personal property (chattel) and manufactured housing titled as real property (non-chattel). In a state such as California, manufactured housing is a critical source of affordable housing and CalHFA would like to see more time and effort directed in expanding this market in order to increase homeownership opportunities for potential homebuyers.

According to the State Department of Housing and Community Development, in California alone, during the last ten years housing production averaged fewer than 80,000 new homes each year and ongoing production continues to fall far below the projected need of 180,000 additional homes annually. Lack of supply and rising costs are compounding growing inequality and limiting advancement opportunities for younger Californians.

Manufactured housing plays an important role in providing a source of affordable housing for many lower income families. Yet in many instances, these same families are denied the opportunity to purchase these homes due to costs related to the financing of these units.

Manufactured Housing (Chattel):

1. CalHFA supports GSE's research and the collection of data to demonstrate whether there is a legitimate reason that the terms of chattel loans should differ so greatly from traditional real estate lending. Depending on results of data collected, CalHFA will support the creation of a pilot program. CalHFA recommends that this type of loan could remain on the GSE's balance sheet while they continue their efforts to explore selling securities to the capital market. Given that California has one of the highest number of manufactured housing originations nationwide, we suggest choosing lenders for the pilot program that have significant presence in California.

Manufactured Housing (Non-Chattel):

2. CalHFA supports the standardization of underwriting and servicing criteria of Manufactured Housing titled as real property (non-chattel) to be exactly the same as "stick" build housing, including the LTV and CLTV requirements. This will allow manufactured housing on real estate to be able to use CalHFA's existing Conventional Products.