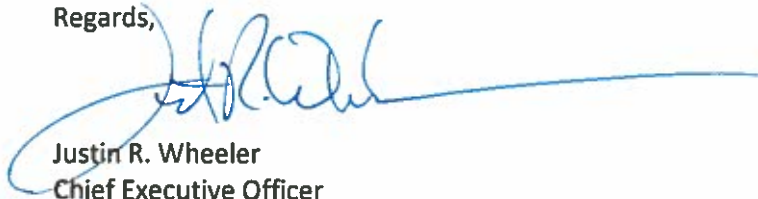


It is clear that a great deal of effort went into the proposed Evaluation Guidance for the forthcoming Duty to Serve plans from the agencies. Berkadia appreciates that FHFA has invited public comment and offers the following comments and suggestions:

1. As proposed, the guidelines have too many components and should be simplified. The Quantitative Assessment with a ten point scale and averaging methodology, Qualitative Assessment including direct and future impact consideration as well as implementation and “concept scores” and Extra Credit with a weighted performance and final performance score is challenging to simply understand, let alone implement and follow.
2. The goals should be designed clearly and simply so that evaluation is easy to implement and understand. As much as possible, they should be quantitative and measurable and directly focused on the underserved markets of manufactured housing, affordable housing preservation and rural housing.
3. Subjective goals invite confusion and discord. They cloud transparency for both the agencies and the public. That said, any objective and measurable goals must have flexibility to allow the FHFA to adjust the goals and the evaluation criteria. Negative market changes or other circumstances beyond the control of the agencies could certainly impact their ability to meet goals and rigid adherence to past goals may not be in the best interest of the public.
4. The agencies and the FHFA should work in conjunction and upfront to establish the goals. Having the three organizations working together to conceptualize and develop the goals will promote understanding, agreement and buy in by all three thereby increasing the chances for positive impact and success. In addition, the agencies should be encouraged to work more cooperatively than competitively on this mission related activity.
5. It may be appropriate for a goal or goals to be shared by the single family and multifamily divisions of the agencies – for example with rural housing. However, significant differences in application and impact exist between the two and we respectfully ask that FHFA and the agencies take those factors into consideration as goals are developed.

Berkadia understands and fully supports the overriding Duty to Serve objective of providing increased liquidity for manufactured housing, affordable housing preservation and rural housing. In developing the Duty to Serve goals with the agencies, the FHFA must be aware of unintended consequences. FHFA must balance setting and achieving goals in these areas with generating the targeted amount of acceptable quality business that is priced to appropriately reflect its credit quality and risk.

Regards,



Justin R. Wheeler
Chief Executive Officer