

Sandra Thompson
Acting Director, Federal Housing Finance Agency
Office of Housing and Regulatory Policy
400 7th Street SW, 9th Floor
Washington, DC 20219

RE: Request for input: Short Term Rental Units in Condominium, Cooperative, and Planned Unit Development Projects

Submit comments to: <https://www.fhfa.gov/AboutUs/Contact/Pages/Request-for-Information-Form.aspx>

Dear Acting Director Thompson:

The Pocono Mountains Association of Realtors® appreciates the opportunity to provide information and comments in response to the recent Request for Input on Short Term Rental Units in Condominium, Cooperative, and Planned Unit Development Projects. On October 7, 2020, Fannie Mae modified its lending rules to tighten parameters on whether or not the GSE will lend in properties with significant short-term rentals and hotel-like amenities, known as condo-tels.

The Pocono Mountains Association of Realtors® has several concerns about these modifications to Fannie Mae's condo-lending protocols, including:

- These restrictions would cause extreme hardships for all buyers in our area, including first-time homebuyers, to purchase homes here which would severely add to the housing crisis currently going on rather than assisting that issue.
- Second home properties and short term rentals exacerbates the housing crisis as many new buyers are cash buyer and paying higher prices and live out of area owners and out-pricing primary buyers and tenants. Designating this as an area to restrict lending to primary buyers and long term rental buyer will add to the crisis.
- Low area wages already make financing a primary residence and long term rentals a challenge. Our areas need more government options not fewer.
- The higher prices and fewer options creates a need for workers to commute out of the area to get better wages creating less time for family and social community support.
- It would be nearly impossible for Fannie Mae to keep track of which properties are being used as short term rentals as it is extremely difficult for even the HOAs to keep track of and maintain.
- The majority of short term rental owners are done very well and do not cause issues. This would be a needless hardship on those purchasing homes.
- The modified requirements contain ambiguous and undefined language that could complicate Fannie Mae's designation process, such as what constitutes "seasonal rental" and how long an owner needs to reside in the property.
- The modifications to the single-family guides that could limit and restrict financing options in markets with large numbers of second homes or projects with high shares of

second homes, even though these specific properties may have excellent underlying loan values.

- By leaving the determination of eligibility of projects up to lenders who may not have the skill or expertise to review all relevant information relating to a designation of a specific property, further harm is imposed on potential buyers and the communities through inaccurate or incomplete eligibility determinations.
- Condo boards and Homeowners Associations (HOAs) do not have a way to appeal Fannie Mae's designation of their property, examine their lender review, or provide additional input that could change Fannie Mae's decision or assessment of their project.

Fannie Mae should carefully review all comments received in response to this RFI and make changes necessary to ensure these modifications help manage Fannie Mae's portfolio risk without unduly harming the economies that rely on resort and second-home real estate activity.

Sincerely,


Yarrow Wilkins

2021 President, Pocono Mountains Association of Realtors®