



Council for Affordable and Rural Housing

Serving the Affordable Housing Needs of Rural America

July 13, 2022

VIA E-MAIL: (DutytoServeStakeholders@FHFA.gov)

Attention: DTS Public Listening Sessions RFI
FHFA, Division of Housing Mission and Goals
Eighth Floor
400 7th Street, SW
Washington, DC 20219

Re: 2022 Duty to Serve Public Listening Sessions
Request for Input

To Whom It May Concern:

The Council for Affordable and Rural Housing (“CARH”) provides its input to the 2022 Duty to Serve Public Listening Sessions Request for Input (“RFI”) for Affordable Housing Preservation, Manufactured Housing, and Rural Housing (the “Underserved Markets”), specifically Rural Housing.

CARH represents for-profit and non-profit companies providing affordable rural rental housing throughout America. For over 40 years, CARH has served as the nation’s premier association for participants in the affordable rural housing profession, including builders, owners, developers, managers, non-profits, housing authorities, syndicators, accountants, architects, attorneys, bankers, and companies that supply goods and services to the industry. CARH is the only association that solely represents the needs of the entire rural affordable housing industry.

We greatly appreciate the efforts by the Agencies to facilitate secondary lending markets and increase Low-Income Housing Tax Credit (“LIHTC”) investment for rural communities. Our prior comments to the Duty to Serve (“DTS”) program strongly supported any effort to assist and support affordable housing preservation in rural areas, including facilitating a secondary market for mortgages. We reiterate this support and appreciate the opportunity to provide input on the underserved Markets, specifically rural housing.

We appreciate the Agencies’ efforts to coordinate with the United States Department of Agriculture (“USDA”) Rural Development (“RD”) to offer products to preserve properties with Section 515 rural rental housing loans and Section 514 farm labor rental housing loans. Incorporation of increased secondary markets for the USDA Section 538 Guaranteed Rural Rental Housing Program and loans senior to existing Section 515 loans would greatly improve access to affordable housing in rural communities. Section 538 of the Housing Act of 1949, as amended, authorizes the Secretary of Agriculture to guarantee loans on multifamily properties. Expanding the secondary market support for the Section 538 program will help facilitate full program use to

meet demand for affordable credit and increase the production and preservation of affordable housing in rural areas.

Our members support the increased commitment to LIHTC investment and commends the Agencies for recognizing the impact that the CRA has on investment in rural markets. Rural areas, particularly those with high needs, have traditionally struggled to attract private investment. This struggle is increasingly more difficult in non-Community Reinvestment Act (“CRA”)-eligible geographic areas. The Agencies’ involvement in LIHTC investment in these rural areas is critical to bridging these disparities. CARH encourages the Agencies to continue to work toward ways to increase investment in often over-looked communities. The Agencies participation in LIHTC investment creates an additional option for affordable housing developers and lenders seeking additional, efficient investors, and will help to bring the LIHTC equity pricing in high-needs areas more in line with national averages.

We also support Fannie Mae’s efforts to provide technical assistance to owners and developers to maintain RD rental assistance through the refinancing and transfer process. Given regulatory challenges, refinancing properties with Section 515 loans has faced significant barriers. With support and increased activity by Fannie Mae and Freddie Mac, properties with Section 515 loans can gain access to the capital necessary for preservation.

The inclusion of loan purchases associated with Section 515 assisted properties is important and we believe Section 514 loans and participation in Section 538 loans should also be included. Section 514 loans support properties that provide much needed housing to domestic farm laborers, a population with historic high-needs. Additionally, many developments in rural communities are not feasible without the support of Section 538 loan guarantees. Given the similar regulatory barriers that have impacted the Section 515 program, refinancing of properties with Section 514 loans and developments with Section 538 loan guarantees is challenging. These programs provide critical housing to high-needs communities and populations, and we strongly support inclusion of these programs into the Plans.

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We also support efforts to educate others on the hardships faced in rural communities. CARH and its members have vast knowledge on rural markets and CARH's members have been reporting extensively on how rural communities have been dealing with the pandemic. We believe the Agencies' rural roundtable meetings should be continued and expanded. Meeting with stakeholders in rural communities is essential to understanding and overcoming the unique barriers that these communities face.

Sincerely,

A handwritten signature in blue ink that reads "Colleen M. Fisher". The signature is written in a cursive style with a blue ink color.

Colleen M. Fisher
Executive Director