



September 15, 2014

Federal Housing Finance Agency
Office of Budget and Financial Management
400 7th St. SW
Washington, DC 20024

Re: FHFA's Strategic Plan for Fiscal Years 2015-2019

To Whom It May Concern:

On behalf of Enterprise Community Partners, thank you for the opportunity to comment on the Federal Housing Finance Agency's Strategic Plan for Fiscal Years 2015-2019.

Enterprise works with partners nationwide to build opportunity for low- and moderate-income families, starting with a safe and affordable place to call home. Over the past 31 years, Enterprise has helped build or preserve more than 320,000 affordable homes across all 50 states, invested more than \$16 billion into communities and touched millions of lives.

We are a family of companies comprised of Enterprise Community Partners (the parent nonprofit) and its related organizations: Enterprise Community Investment (a financial services company), Enterprise Community Asset Management (a residential asset management firm), Enterprise Community Loan Fund (a registered Community Development Financial Institution), Enterprise Homes (a housing developer) and Bellwether-Enterprise Real Estate Capital (a multifamily and commercial mortgage originator). Enterprise is an FHA Multifamily Accelerated Processing lender and Ginnie Mae issuer, a Fannie Mae Multifamily Affordable and Workforce Housing Lender, a Freddie Mac Program Plus Seller Servicer and Targeted Affordable Housing lender and a U.S. Department of Agriculture Section 538 lender.

For more than three decades, Fannie Mae and Freddie Mac (the GSEs) have been important partners in Enterprise's work. Their multifamily businesses are crucial sources of capital for affordable housing and essential components of a liquid, stable and affordable U.S. rental market.

For this reason, we appreciate FHFA's focus on affordable multifamily lending in its Strategic Plan. Specifically, we applaud the agency for including the strategic goal of supporting "multifamily housing needs with a focus on the affordable and underserved segments of the market."

That said, we believe that the specific policy solution presented in the plan—excluding mission-related activities like affordable rental housing and small-loan financing from the multifamily production cap—is insufficient to meet this strategic goal. As FHFA's own analysis has found, the GSE share of the multifamily market has receded in recent years from its post-crisis level as banks, life insurance companies and other private investors have gradually returned to the market. It seems unlikely that the GSEs will reach their multifamily production caps in the coming years. An exemption is an important step in the right direction, but it must be part of a broader plan for meeting the needs of America's low-income renters.

We look forward to working with FHFA to develop innovative solutions to this problem, starting with the next iteration of the GSE affordable housing goals. In the coming months, we will develop a set of recommendations for expanding GSE support to affordable rental housing, with a focus on very low-income families, small multifamily properties and underserved urban and rural communities.

FHFA's commitment to affordable rental housing comes at a critical moment. In communities across the country, rents are rising, wages are stagnating and working families are having a tougher time finding a quality home that they can afford. According to the Harvard Joint Center for Housing Studies, 11 million renter families—more than one in four renters in the U.S.—pay at least half of their monthly income on rent. That is an unprecedented number.

There are several reasons for this growing housing insecurity crisis, but a primary culprit is a lack of quality, affordable rental options for lower-income families. For example, today 11.5 million extremely low-income families are competing for just 3.3 million rental units that are both available and affordable at their income level. That supply gap has swelled by more than 50 percent since 2000.

Again, thank you for the opportunity to comment on the agency's Strategic Plan. If you have any questions about the above comments, please contact me at dyentel@enterprisecommunity.org; Andrew Jakobovics, Enterprise's Senior Director for Policy Development & Research, at ajakabovics@enterprisecommunity.org; or John Griffith, a Senior Analyst and Project Manager at Enterprise, at jgriffith@enterprisecommunity.org.

Sincerely,

Diane Yentel
Vice President for Public Policy & Government Affairs
Enterprise Community Partners, Inc.