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Sent: Friday, September 18, 2009 9:34 AM  
To: !REG-COMMENTS  
Subject: RIN 2590-AA27

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September 18, 2009

Federal Housing Finance A (FHFA)  
1625 Eye Street, NW  
Washington, D.C. 20006

Dear Federal Housing Finance A (FHFA):

Thank you for the thoughtful request for comments regarding duty to serve requirements for the GSEs. We concur with CFED's comment letter urging GSEs invest in manufactured homes with security of tenure and opportunity for appreciation.

We recommend that loans in manufactured housing communities should meet the following criteria.

1. APR must be no more than 3.5 points above the prime rate.
2. Loans may not have prepayment penalties.
3. No loans with yield spread premiums allowed.
4. Chattel loans must comply with all RESPA requirements.
5. Chattel loans on a home currently titled as real property and eligible for mortgage financing should not qualify.
6. Homes must have a lease term of five years beyond the loan term and lease should be renewable in the absence of just cause.
7. Loans made in residential communities must have a lease that permits the formation of resident associations and a right to associate and organize.
8. Eligible loans must include a lease with language which preserves the right of residents to form a homeowners association and the association's right to present competing purchase offer prior to the sale or closure of the community.
9. Homes must be priced under \$300,000.
10. Chattel loans in land lease communities must be made in communities with project approval by the enterprise in accordance with standards adopted which are consistent with, and adapted from, current condominium and cooperative approval standards, including zoning, infrastructure and capital reserves review.

Finally, we agree with CFED's recommendation that the industry develop a set of criteria for manufactured homes on fee-simple land and if such criteria are met, then the mortgage would be underwritten just like any mortgage on a site-built home. Such underwriting should support long-term land security and titling homes as real estate.

As a non profit developer of affordable housing in central Appalachia, manufactured housing, and financing done 'just right' stands as the one bright spot in our toolbox of affordability.

The duty to serve requirement can play a major role in promoting the use of good quality manufactured housing as one of many mechanisms to cost-effectively increase the supply of affordable housing and promote asset building. Thank you for your responsiveness and quick action on this issue.

Sincerely,

Andy Kegley  
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