



**LOUISIANA MANUFACTURED HOUSING ASSOCIATION**  
**4847 Revere Avenue • Baton Rouge, LA 70808**

September 16, 2009

Alfred M. Pollard, Esq.  
General Counsel  
Attn: Comments/RIN 2590-AA27  
Federal Housing Finance Agency  
Fourth Floor  
1700 G. Street, N.W.  
Washington, D.C. 20552

Re: Advance Notec of Proposed Rulemaking—RIN 2590-AA27  
74 Federal Register No. 148, August 4, 2009, Page 38572  
Duty to Serve Underserved Markets for Enterprises

Dear Mr. Pollard,

The Louisiana Manufactured Housing Association would like to express the opinions of it's over 300 member businesses on the Advanced Notice of Proposed Rulemaking (ANPR) as it relates to the "Duty to Serve Underserved Markets for Enterprises" published in the Federal Register on August 4, 2009 by the Federal Housing Finance Agency.

The Louisiana Manufactured Housing Association (LMHA) is the lone trade group that is charged with the promotion and preservation of the manufactured housing (MH) industry in the State of Louisiana. While we are located in Louisiana our membership goes far beyond our state lines and has members throughout the country engaged in providing affordable housing choices to our citizens. It is our position that the cumulative affect of our current economic crisis coupled with the discriminatory financing practices we as an industry must endure have had a crippling effect on our ability to provide people the dream of homeownership. It is the "Duty to Serve" that is designed to rectify these issues.

I would like to provide a few comments on the current market conditions the MH industry is facing and some insight on our appreciation on DTS.

## CURRENT MARKET FACTORS

- The MH industry is currently experiencing an unparalleled decrease in housing sales due to a great extent the limited financing options available in the current marketplace. These conditions have had a disproportionate impact on the low to moderate income people our industry has so proudly served. Since, the late 1990's our industry has experienced a nearly 80% drop in sales and is poised to rapidly decline even further over the next year. Our industry's basic survival is hinged on providing people the access to financing they so desperately need.
- While no economic crisis is short on blame we believe the lack of available financing is due to some measure by 20 years of poor policy decisions made by two Government Sponsored Agencies (GSE's) – Fannie Mae and Freddie Mac-“Enterprises.” Their continued discrimination against MH has had dreadful consequences on the availability of financing for affordable housing. While the “Enterprises” housing portfolios have grown MH remained a small percentage and is now less than 1% of their total business. Contrast that 1% against MH representing 10-15% of the overall housing market. While this has been devastating to the industry's access to capital it stands in the face of affordable housing goals for 2008 set forth by the FHFA.
- The continued discrimination against MH and our consumers is also inconsistent with Federal Housing Policy stated in the Manufactured Housing Improvement Act of 2000 where Congress clearly stated their goal of providing access to affordable home loans.

## “DUTY TO SERVE”

- Congress clearly states that the “Enterprises” have not fulfilled their obligation as it relates to MH and have voiced their concerns in the DTS provisions in the Housing and Economic Recovery Act of 2008. The language in this Act directs the “Enterprises” regarding loans and underwriting guidelines for low to moderate income people. The DTS therefore represents a declaration by Congress the Enterprises have not done enough to fulfill their obligation to these underserved markets and further MUST correct their practices.
- It is imperative that the DTS provisions be immediately implemented so that people may once again have the financial access they deserve. Section 11299D)(1) of HERA requires FHFA to “ by regulation, establish effective for 2010 and thereafter a manner for evaluating whether, and the extent to which, the Enterprises have complied with the duty [to serve].” Therefore, a final rule must be in place by January 1, 2010 and proceedings in this docket should be expedited as necessary, to accomplish that result.

For many years the MH industry has had access to traditional forms of lending for its consumers. These loans were profitable to its lenders and performed on par with conventional loans made on site built homes. While some of those earlier lenders are still in the marketplace the storefronts for the sale of those loans are now limited. With the

combined credit crisis and poor performing economy there are very few options for the people who need these loans the most. The MH industry has a number of lenders who can provide details of the lending models created to serve this market. The LMHA remains available to serve the process as we navigate the troubling times. If we can be of service please contact our office.

Your time and favorable consideration herein are most appreciated.

With kind regards, I am,

Sincerely,

A handwritten signature in cursive script that reads "Steven R. Duke". The signature is written in black ink and is positioned above the printed name.

Steven R. Duke  
Executive Director  
and General Counsel