

From: [Hirtle, Stanley](#)
To: [IFHFA REG-COMMENTS](#)
Subject: Comments/RIN 2590-AA65. Affordable housing goals
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Mr. Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
400 Seventh Street, SW., Eighth Floor
Washington, DC 20024
Attention: Comments/RIN 2590-AA65

RE: RIN 2590-AA65 2015-2017 Enterprise Housing Goals

General Counsel Pollard:

Advocates for Basic Legal Equality is a non-profit law firm that provides free legal services to low-income people, senior citizens, and others who cannot afford attorneys. We serve thirty-two counties in western Ohio, running from Dayton to Toledo to Mansfield. For many years, we have devoted effort to protecting homeowners against predatory mortgage lending and in defending them from the foreclosure crisis that resulted. In addition, we are also a member of the National Community Reinvestment Coalition (NCRC).

We have seen the significant loss suffered in homeownership in our service area. At worst, sections of Dayton such as Santa Clara and Southern Dayton View are overwhelmed by vacant, boarded, and vandalized buildings. For many of our clients, homeownership was seen as the way to build wealth and provide a safety net for their families. Minority low-income communities were the first victims of reckless lending followed by foreclosure, and have suffered the most. Loss mitigation programs such as HAMP have helped some but have not stopped the bleeding. The unwillingness of loanholders and servicers to meet the need for loan modifications is well documented in Ohio and elsewhere. ^[1]

While lower than at the height of the crisis, the loss of homes is still double the rates of a decade before. ^[2] The expiration of Ohio's Hardest Hit Funds program bodes ill in view of a relatively weak recovery in jobs and income. In 2013, there were 4,196 total foreclosure cases in Montgomery County (Dayton), 3,622 in Lucas County (Toledo), and over one thousand each in Clark (Springfield), Greene (suburban to Clark and Montgomery), and Richland (Mansfield). ^[3] Ohio had nearly 100,000 foreclosure lawsuits pending in 2013. ^[4]

Foreclosed homes are not being bought by a new generation of homeowners but, instead, by house flippers and absentee landlords who are profiting from the crisis. All of this has been destructive to neighborhoods and to the finances of the municipalities, counties, and school districts that provide them necessary services.

Affordable housing goals cannot be blamed for the reckless and predatory actions of the mortgage industry, as the industry could have chosen to make good loans instead of bad ones. Furthermore, as the demographics of the United States continue to shift toward lower-income households and a more racially and ethnically diverse population, eliminating barriers to homeownership, stimulating mortgage choice, and generating opportunities in the conventional mortgage market are critical issues for low- and moderate-income communities, the housing industry, and the well-being of the nation's economy overall.

While our organization commends the Federal Housing Finance Agency (FHFA) for recognizing that Fannie Mae and Freddie Mac must lead the market in purchase and refinance opportunities for these consumers, the proposed 2015-2017 Housing Goals fail to take the right steps to ensure that Fannie Mae and Freddie Mac will do their part to eliminate access barriers and liquidity challenges for loans made to our communities. The FHFA, through its policies and rulemakings, simply cannot continue to ignore the fact that, in the future, low- and moderate-income (LMI) borrowers and people of color will no longer be a niche market, but likely the mortgage industry's core consumers.

Therefore, we urge the FHFA to address the concerns raised in the National Community Reinvestment Coalition's comment letter and adopt NCRC's recommendations in the final rule.

Specifically, NCRC's comment letter identifies concerns and offers recommendations regarding the following areas:

- (1) The legal validity of FHFA's three alternately proposed evaluation methods,
- (2) FHFA's estimated size of the LMI mortgage market and market for communities of color,
- (3) the absence of demographic considerations in the financial model used to calculate FHFA's market projections for LMI and communities of color; and
- (4) FHFA's conclusion that the included data in the existing financial model supports the conclusion that the LMI borrowers and borrowers choosing to live in communities of color will significantly decline over the next three years.

We believe that the final 2015-2017 Enterprises Housing Goals rule can only be strengthened by addressing NCRC's concerns and adopting the coalition's recommendations.

Over the past ten years, the affordable housing goals have helped 941,550 households in Ohio become homeowners or benefit from affordable rental housing. As a result, families were able to realize real economic gains from their housing options and build savings. While too many of those gains were lost to the foreclosure crisis, we believe that if left to their own devices, the lending industry will exclude similar families from the benefits of homeownership in the future.

We firmly believe that the affordable housing goals are far too important to preserving and building the wealth of working-class people to allow regulatory policies to marginalize or minimize their effect.

We would like to thank FHFA for this opportunity to share our views on the proposed rule. If you have any questions or would like additional information regarding this comment, please do not hesitate to contact me at shirtle@ablelaw.org or (937) 535-4410.

Truly yours,

Stanley A. Hirtle
Attorney at Law



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Together, we do the community justice.

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[1] SIGTARP Quarterly Report to Congress, July 30, 2014, pp. 279-80, available at <http://www.sig tarp.gov/pages/quarterly.aspx>.

[2] Policy Matters, Ohio, Home Insecurity 2013: Foreclosures and housing in Ohio – available at <http://www.policymattersohio.org/foreclosures-may2013>.

[3] Supreme Court of Ohio, Ohio Courts Statistical Report, pp 42-43, available at <http://www.sconet.state.oh.us/Publications/annrep/13OCS/2013OCS.pdf>.

[4] Id.