



October 28, 2014

Federal Housing Finance Agency
Office of Policy and Research
400 Seventh Street SW, 9th Floor
Washington, D.C. 20024

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

Thank you for the opportunity to comment on FHFA's proposed Enterprise Housing Goals for 2015-2017. As a state housing finance agency, Connecticut Housing Finance Authority (CHFA) offers low cost home mortgage financing as well as financing of affordable rental housing throughout our state. Since 1969, we have issued over 130,000 mortgages to first time homebuyers and financed the creation of more than 36,000 affordable rental units. CHFA is financially strong, maintaining an AAA rating with Standard & Poor's and an Aaa rating with Moody's Investor Services. With this background, we offer the following general comments regarding proposed affordable housing goals.

First, we wish to support your efforts to increase market access for low- and moderate-income borrowers by proposing increases in two single family goal areas. We understand that, in setting these target goals, you must foster prudent lending practices while improving market access for creditworthy low- and moderate-income borrowers. In our experience, we have achieved successful results in our single family homeownership program by using strict underwriting standards to determine eligible, low- and moderate-income borrowers.

In your published request for comment, you have asked for feedback about three alternatives for setting these goals, including the current practice of setting prospective benchmark goals and retrospective market goals and two alternatives which include each goal separately. Based on our understanding of their roles, we support the current practice of applying both benchmark and market goals. We believe the benchmark goals serve the purpose of establishing a high level of achievement based on forecasted market conditions while the market goal allows for revisions based on actual market conditions.

With regard to multifamily initiatives, we strongly support increases in the Enterprises' multifamily housing goals. Given the national shortage of affordable housing, we believe the proposed goals are relatively conservative and could be higher to reflect market demand and an overall federal policy that supports greater access to quality affordable housing in our country. As a state housing finance authority, we have observed the benefits that low cost multifamily housing brings to individuals, families, communities and our state economy. With these many benefits in mind, we would encourage FHFA to raise its proposed multifamily goals.

On a separate note, we are particularly pleased to see a new subcategory of goals for small multifamily properties. Affordable rental properties of 5- 19 units make up about 25% of the national housing inventory, according to Harvard University's Joint Center for Housing Studies. In Connecticut, they play a critical role in bolstering the state's housing stock in small and large communities. We believe the new subcategory sends a strong message about the vital need to support the development and preservation of these properties as an important means of meeting the affordable housing needs of our country.

CHFA stands ready to offer assistance to FHFA in your mission to expand market access through increased affordable housing goals. I appreciate the opportunity to share our perspective and wish you well in your efforts.

Kind regards,


Eric Chatman
President-Executive Director