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Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
Eighth Floor
400 Seventh Street, SW
Washington, DC 200024

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

Dear Mr. Pollard:

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I would like to submit comments on the above-referenced proposed rule, which establishes affordable housing goals for Fannie Mae and Freddie Mac (the Enterprises) for 2015, 2016 and 2017. NAHB is a Washington, DC-based trade association representing members involved in building single family and multifamily housing, including participants in the Low-income Housing Tax Credit program, remodeling, and other aspects of residential and light commercial construction. NAHB is affiliated with more than 800 state and local associations.

Background

The Housing and Economic Recovery Act of 2008 (HERA) amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) to require the Federal Housing Finance Agency (FHFA) to establish, monitor and enforce annual housing goals for the Enterprises effective for 2010 and each year thereafter. The housing goals established by FHFA's final rule in 2010 included four goals and one subgoal for single family owner-occupied housing and one goal and one subgoal for multifamily housing.

The single family goals are:

- Low-Income Home Purchase Goal
- Very Low-income Home Purchase Goals
- Low-Income Areas Home Purchase Subgoal
- Low-Income Refinancing Goal

The multifamily goals:

- Multifamily Units Affordable to Low-Income Families
- Multifamily Units Affordable to Very-Low-Income Families

Although the Enterprises were placed into conservatorship in 2008, they continue to have the mission of supporting a stable and liquid national market for residential mortgage financing. FHFA states that, while the Enterprises are in conservatorship, all activities, including those in support of affordable housing, must be conducted in a safe and sound manner, per the requirements of HERA. Thus, FHFA has continued to establish annual housing goals for the Enterprises. If FHFA determines that the housing goals cannot be met consistent with such requirements, it may suspend the goals until they can be achieved.

This proposed rule:

- Updates the benchmark levels for each of the goals and subgoals for 2015 through 2017;
- Establishes a new subgoal for small multifamily properties affordable to low-income families;
- Presents three alternatives for determining whether an Enterprise has met the single family goals; and,
- Revises a number of other provisions to provide more clarity on the mortgages eligible for goal or subgoal categories.

NAHB generally supports the proposed housing goals rule. NAHB agrees that Fannie Mae and Freddie Mac must continue to meet their affordable housing mission during conservatorship. The Enterprises' support to these market segments is critical, perhaps even more so now given the continuing limitations on access to mortgage credit. NAHB's specific comments and recommendations follow.

Proposed Single Family Housing Goals for 2015-2017

FHFA must consider seven factors in setting the single family housing goals: (1) national housing needs; (2) economic, housing, and demographic conditions; (3) performance and effort of the Enterprises towards achieving previous years' housing goals; (4) ability of the Enterprises to lead the industry in making mortgage credit available; (5) other reliable mortgage data as may be available; (6) size of the conventional mortgage market; and, (7) maintaining the sound financial condition of the Enterprises.

In setting the proposed benchmark levels, FHFA uses a market estimation model which it has developed to calculate projections of the estimated market performance for each goal or subgoal in the primary mortgage market. To estimate the market performance for 2015 through 2017, the market estimation model incorporates the factors that FHFA is required to consider, including information about economic and housing conditions, such as the unemployment rate, inflation, housing starts, home sales, and home prices. FHFA also reviews other available data and considers the past performance of the Enterprises and their ability to lead the industry.

As shown in the tables below, for years 2015-2017, FHFA proposes to keep the low-income and very-low-income home purchase benchmarks the same as the 2012-2014 period. FHFA proposes to increase both the low-income areas home purchase subgoal and the low-income refinancing goal.

Single Family Housing Goal Benchmark Levels: Past and Proposed

Goal	Criteria	Current benchmark for 2012-2014	Proposed benchmark for 2015-2017
Low-Income Home Purchase	Home purchase mortgage loans on owner-occupied single family homes with borrowers with income no greater than 80% of AMI	23 percent	23 percent
Very-Low-Income Home Purchase	Home purchase mortgage loans on owner-occupied single family homes with borrowers with incomes no greater than 50% of AMI	7 percent	7 percent
Low-Income Areas Home Purchase Subgoal	Home purchase mortgage loans on owner-occupied single family homes with: • Borrowers in census tracts with tract median income of no greater than 80% of AMI; • Borrowers with incomes up to 100% of AMI in census tracts where tract median is less than 100% of AMI and minorities are at least 30% of tract population	11 percent	14 percent
Low-Income Area Home Purchase Goal	Same categories as the Low-Income Home Purchase Subgoal, plus moderate income families (100% of AMI) in designated disaster areas	20 percent (11 percent plus 9 percent disaster increment)	14 percent (disaster increment to be set at a later date by FHFA)
Low-Income Refinancing Goal	Refinancing mortgage loans on single family owner-occupied properties with borrowers with incomes no greater than 80% of AMI	20 percent	27 percent

Low-Income Home Purchase Goal

FHFA's market model forecasts a declining proportion of home purchase mortgage loans for low-income families for 2015-2017. However, FHFA proposes to leave the benchmark goal level unchanged at 23 percent to incent the Enterprises to look for additional methods to encourage lenders to reach out to low-income borrowers.

Both Enterprises' performance exceeded their goal of 23 percent in 2012; Fannie Mae's 23.8 percent exceeded this benchmark for 2013, but Freddie Mac fell short at 21.8 percent. Performance is not yet available for 2014.

Very Low-Income Home Purchase Goal

As with the low-income home purchase goal, FHFA's market model forecasts a declining proportion of home purchase mortgage loans for very low-income families for 2015-2017. However, FHFA proposes to leave the benchmark goal level unchanged at seven percent as a means to incent the Enterprises to design a strategy to reach additional very-low income borrowers.

Both Enterprises performance exceeded their seven percent goal in 2012. However, both Enterprises fell short in 2013, with Fannie Mae at six percent and Freddie Mac at 5.5 percent. Performance is not yet available for 2014.

Low-Income Areas Home Purchase Subgoal

FHFA proposes to set this goal at 14 percent for 2015-2017, up from the current benchmark of 11 percent. The proposed benchmark would be in line with FHFA's forecasts for the actual low-income areas share of the overall market and in line with the recent performance of the Enterprises on the low-income areas home purchase subgoal.

Both Enterprises' performance exceeded the subgoal benchmark level in 2012 (with Fannie Mae at 13.1 percent and Freddie Mac at 11.4 percent). FHFA reports that, based on performance numbers reported by the Enterprises, they both exceeded the benchmark in 2013, with Fannie Mae at 14 percent and Freddie Mac at 12.3 percent.

Low-Income Areas Home Purchase Goal

This goal adds a "disaster areas" increment to the low-income areas home purchase subgoal to ensure the Enterprises reach out to families with incomes less than or equal to 100 percent of AMI who reside in designated disaster areas. The disaster areas increment is set annually by FHFA separately from this rulemaking and has not yet been determined for 2015-2017. The disaster areas increment may vary from year to year.

The disaster increment was nine percent for 2012 and 10 percent of 2013, so the overall Low-Income Areas Home Purchase Goal was 20 percent for 2012 and 21 percent for 2013. Both Enterprises exceeded the benchmark for 2012; Fannie Mae exceeded its benchmark in 2013 but Freddie Mac fell short.

Low-Income Refinancing Goal

FHFA proposes to set this goal at 27 percent, up significantly from the current benchmark of 20 percent. However, FHFA forecasts even larger increases in the low-income share of the overall refinancing mortgage market making the proposed benchmark level of 27 percent relatively low in the forecast range for available low-income refinance mortgage loans. FHFA believes the low-income goal-qualifying share of refinancing mortgage loans will increase significantly as interest rates increase and many higher-income borrowers already have refinanced. According to FHFA, when interest rates increase, generally there are fewer refinances overall, but home owners that do refinance tend to be lower income homeowners who refinance for reasons other than taking advantage of lower interest rates.

This goal was set at 20 percent for 2012-2014, and both Enterprises surpassed this level in 2012 and 2013, even without taking into account the Home Affordable Modification Program (HAMP) loans. Including HAMP loans, both Enterprises exceeded the goal for both years by wide margins. However, HAMP modifications have had a smaller impact on low-income refinancing goal performance in recent years compared to 2010 and 2011 as volume has fallen.

<u>NAHB's Comments on Proposed Single Family Housing Goals for 2015-2017</u>

Home builders and developers rely on the availability of housing credit for their livelihoods. They are equally concerned about access to affordable acquisition, development and construction financing to build homes and that home buyers have access to affordable mortgage loans to buy the homes they build. Consequently, NAHB is a staunch advocate for a viable, efficient home mortgage market that meets the housing finance needs of as many creditworthy home buyers as possible – believing this is in the best interests of the housing industry and, therefore, our members.

Like FHFA, NAHB believes, even in conservatorship, the Enterprises should continue to have housing goals to ensure they meet the component of their public mission that requires them to provide access to mortgage credit for traditionally underserved home buyers and home buyers in underserved areas. As stated in the 2010 final rule, "FHFA does not intend for the Enterprises to undertake uneconomic or high-risk activities in support of the goals. However, the fact that the Enterprises are in conservatorship should not be a justification for withdrawing support from these market segments."

Setting the housing goal levels for the Enterprises is not a simple task. There is no right or wrong level, and industry stakeholders will consider the proposed/established goal levels with different interests, concerns and objectives in mind. NAHB appreciates FHFA's challenge to set the benchmark goal levels based on the objective review of past and forecast economic and housing market information while trying to balance competing industry views regarding the rationale for the housing goals. On the spectrum of opinions regarding the housing goals, stakeholders at one end believe the imposition of housing goals led to the housing crisis by compelling the Enterprises to buy goal-rich loans that, in reality, were risky, subprime mortgage loans. This constituency does not support any housing goals for the Enterprises. Stakeholders at the other end of the spectrum believe FHFA has a responsibility to expand the housing goals to alleviate tight credit availability and support underserved markets.

After reviewing FHFA's detailed explanation of the basis for establishing the proposed benchmark levels for each single family goal category for 2015-2017, NAHB believes FHFA has set the goals at appropriate levels. FHFA considered numerous industry and economic indicators in order to establish the benchmark goal levels – reviewing historic and forecast values for each indicator. FHFA also evaluated the actual performance of each Enterprise in meeting the established goals in previous years to help ensure it is setting the goals at levels which are feasible for the Enterprises to achieve.

Measuring the Enterprises' Single Family Goals Performance

In accordance with the revised housing goal regulation in 2010, FHFA measures the performance of the Enterprises in meeting their single family housing goals by comparing their performance on each goal and subgoal to both a benchmark level and a market level. The benchmark level is the goal level assigned by FHFA based on the agency's assessment of various market indications. The level is set prospectively based on FHFA's forecast of the share of the market available to count toward the single family goals. The market level is determined based on the actual goal-qualifying share of the overall market as measured by the Home Mortgage Disclosure Act (HMDA) data for that year. The market level is unknown to the Enterprises until the annual HMDA data is reviewed and is referred to as "the retrospective market share." To achieve a goal, the actual percentage of Enterprise mortgage loan purchases that qualify for each goal or subgoal must meet or exceed either the prospective benchmark level or the retrospective market level for that year.

Proposed Options for Measuring the Enterprises' Single Family Goals Performance

FHFA has requested comments on three options for how to determine whether the Enterprises have met their single family goal levels in the future. The three options FHFA proposes are: (1) continue to use the current approach of defining achievement as exceeding either the benchmark level or the market level; (2) measuring the achievement based on meeting or exceeding the benchmark level only; or (3) measuring the achievement based on meeting or exceeding only the share of the market that qualifies for the goal based on retrospective HMDA data. The advantages and disadvantages of each approach are described below.

1. ***Keep current approach*** – compares performance to a prospective benchmark level and a retrospective market level.
   - Advantages: The prospective benchmark level gives the Enterprises more certainty in planning how to achieve the goals, while the retrospective market level helps to address the inherent difficulty of accurately forecasting, years in advance, the goals' shares of the overall market.
   - Disadvantages: If the Enterprises anticipate that the retrospective market level will be lower than the benchmark level, the goals may provide less of an incentive to serve targeted segments of the market.

2. ***Use benchmark only*** – goals would be set prospectively by regulation.
   - Advantages: Provides the Enterprises certainty in planning how to achieve the goals each year and would allow FHFA to determine if the Enterprises met the goals relatively early in the years, allowing them to adjust their activities if necessary.

- Disadvantages: Difficulty in accurately forecasting market dynamics and goal-qualifying share levels years in advance; if actual market level turns out to be higher than the benchmark that was set in advance, it would be easy to achieve the goal(s) without a particular focus on serving the market targeted by the goals. Conversely, if the actual market level turns out to be much lower than the benchmark, it could be very difficult to meet the goals. (FHFA would likely consider whether to lower the proposed benchmark if this option is selected.)

3. ***Use retrospective market level only based on HMDA data*** – meeting a goal would depend solely on the performance of the Enterprise in meeting the actual market level for that year.
   - Advantages: Would eliminate the need for FHFA to forecast the goal-qualifying share of the overall market. It would also require the Enterprises to continue efforts to support all aspects of the market in years when the actual market levels are higher than forecasts would have predicted.
   - Disadvantages: It may be more difficult for the Enterprises to establish plans for meeting or exceeding the actual market level. If this option were chosen, it may be necessary for FHFA to require more frequent reporting on the Enterprises' activities throughout the year.

NAHB's Comments on Measuring the Enterprises' Single Family Goals Performance

NAHB supports the current, two-part approach and recommends FHFA continue to measure the performance of the Enterprises using this method. The current approach gives the Enterprises the certainty of knowing the goal for which they are striving, but allowing for the possibility that it may not be feasible for the Enterprises to meet the goals if the FHFA's forecast of the size of the market was inaccurate. This reduces the possibility the Enterprises would be penalized for not meeting unreasonable goals that have been set as far out as three years in advance, but still provides a significant and known goal to strive to meet.

Proposed Multifamily Housing Goals for 2015-2017

The multifamily goals evaluate the performance of the Enterprises based on numeric targets, not percentages, for the number of affordable units in multifamily properties backed by mortgage loans purchased by an Enterprise. The proposed rule, for the first time, establishes a separate subgoal for rental units that are affordable to families with incomes no greater than 80 percent of area median income in small multifamily properties with mortgages purchased by an Enterprise.

Considerations for Setting the Multifamily Goals

HERA requires FHFA to consider six factors in establishing multifamily housing goals: (1) national multifamily mortgage credit needs and the Enterprise's ability to provide additional liquidity and stability to the multifamily market; (2) performance and effort of the Enterprise in making multifamily mortgage credit available in previous years; (3) size of the multifamily market for housing affordable to low-income and very low-income families, including the size of multifamily markets for smaller size housing; (4) ability of the Enterprises to lead the market in making multifamily mortgage credit available, especially for low-income and very low-income families; (5) availability of public subsidies; and, (6) need to maintain the sound financial condition of the Enterprise.

FHFA proposes to set lower goals than the Enterprises' actual low-income and very low-income purchases in 2012 and 2013, based on the expectation that the Enterprises will play a smaller role in the overall multifamily market as private sector activity increases. The Enterprises' share of the overall market between 2005 and 2007 was about 20 percent, but it rose to 60 percent during the recession as private sector participants withdrew. In 2013, the Enterprises' share of the market was just over 30 percent, which fell further in the first half of 2014. While FHFA expects the decline to moderate, it does expect that the Enterprises' share of the market will remain relatively lower in 2015 through 2017.

However, despite the anticipated decline in Enterprises' market share in the overall multifamily market, FHFA expects the Enterprises to continue to demonstrate leadership in multifamily affordable housing lending. This includes support for housing families at different income levels in various geographic markets and in various market segments.

Proposed New Small Multifamily Subgoal

HERA requires that FHFA obtain an annual report from the Enterprises on their purchases of mortgages on small (five to 50 units) multifamily housing that are affordable to low-income families. In 2010, FHFA invited comments on whether it should set additional requirements for small multifamily low-income units, but the 2012-2014 goals did not include any requirements for small multifamily low-income units.

This proposed rule includes a new subgoal for small multifamily properties that are affordable to families with incomes no greater than 80 percent of area median income. FHFA states that small multifamily properties are a significant source of affordable rental housing and represent about one-third of all multifamily rental units. Rents in small multifamily properties often are lower than rents in larger multifamily properties. However, the Enterprises have played a limited role in supporting financing for these types of properties. FHFA states that the proposed goals will provide an incentive for the Enterprises to support this important source of affordable housing.

Proposed Goals

The following tables show the proposed multifamily goals levels for (1) the multifamily low-income goal, which targets housing affordable to families with incomes no greater than 80 percent of AMI; (2) the multifamily very-low-income subgoal, which targets housing affordable to families with incomes no greater than 50 percent of AMI; and (3) the multifamily low-income subgoal for small multifamily properties.

Multifamily Low-Income Goals 2015-2017
Number of Units

	Fannie Mae	Freddie Mac
Current Goal for 2014	250,000	200,000
2015	250,000	210,000
2016	250,000	220,000
2017	250,000	230,000

Multifamily Very-Low-Income Subgoals 2015-2017
Number of Units

	Fannie Mae	Freddie Mac
Current Goal for 2014	60,000	40,000
2015	60,000	43,000
2016	60,000	46,000
2017	60,000	50,000

Multifamily Low-Income Subgoal for Small Multifamily 2015-2017
Number of Units

	Fannie Mae	Freddie Mac
Current Goal for 2014	None	None
2015	20,000	5,000
2016	25,000	10,000
2017	30,000	15,000

Low-Income and Very Low-Income Goals

FHFA states that both Enterprises exceeded their low-income goals in 2013, as they did in each year since 2010. Since 2010, both Enterprises have purchased a relatively stable percentage of low-income multifamily units relative to their total multifamily purchases. For Fannie Mae, the share has ranged from 75 to 77 percent; for Freddie Mac, the share has ranged from 75 to 79 percent. FHFA reports that both Enterprises also exceeded their very low-income multifamily goals in 2013.

Multifamily Low-Income and Very-Low-Income Goals and Performance 2012 and 2013

	Annual Low-Income Goal for 2012 and 2013	# Units Achieved for 2012 and 2013	Annual Very-Low-Income Goal for 2012 and 2013	# Units Achieved for 2012 and 2013
Fannie Mae				
2012	285,000	375,924	80,000	108,878
2013	265,000	326,924	70,000	78,071
Freddie Mac				
2012	225,000	298,529	59,000	60,084
2013	215,000	255,057	50,000	56,752

NAHB Comments on the Proposed Multifamily Housing Goals

NAHB generally agrees with FHFA's assessment of the multifamily market and its likely direction over the next several years. While we agree that the Enterprises' share of the market is likely to fall somewhat more as traditional competitors return, NAHB believes that the Enterprises will continue to be critically important, particularly in the affordable multifamily market for some time, certainly over the next several years.

Other sources of multifamily financing are slowly returning to the market. The CMBS market has not regained its footing in a significant way and other competitors, such as insurance companies and pension funds, do not invest heavily in units affordable to low and very-low-income units. FHA is in the process of a major restructuring of its offices and procedures and its volume has fallen in 2014 as well. Its pilot program to streamline LIHTC loans is limited in scope, which will favor the Enterprises. NAHB also agrees with FHFA that the LIHTC market is healthy, and demand for credits remains strong. Sources of soft financing, however, have become more difficult to procure, which may require developers to downsize projects.

FHFA was very conservative in setting the multifamily goals for 2010 and 2011 and was even more conservative in its approach to the 2012 to 2014 goals. NAHB commented on the latter that FHFA's proposed low-income and very-low-income multifamily goals were too low. Both Enterprises surpassed the 2010 and 2011 goals by wide margins (with the exception of Freddie Mac in 2010 for its low-income goal), and yet FHFA proposed 2012 – 2014 goals at significantly lower levels than both Enterprises achieved in 2011. NAHB was pleased that the final goals for 2012 through 2014 were raised. However, FHFA continues to take a very conservative approach in setting the multifamily goals.

Given the improved market conditions and the expectation that the market will continue to improve, as well as NAHB's belief that the Enterprises will continue to play a significant role in the market for the next several years, we believe FHFA should consider setting higher low- and very-low-income goals for both Enterprises. It is important that the Enterprises' goals are challenging but reasonably so. Both Enterprises' multifamily businesses have done very well financially, and meeting these goals has not negatively affected safety and soundness. Setting the goals at lower than achieved levels under the current and expected market conditions undermines the affordable housing mission of the Enterprises.

Small Multifamily Low-Income Units

As mentioned above, in 2010 FHFA invited comment on whether it should set additional requirements for small multifamily low-income properties. NAHB, in its comments on the 2010-2011 goals, strongly supported the establishment of a subgoal for small multifamily low-income properties. The provision of mortgage credit for small multifamily properties is challenging, especially for those in rural areas. As FHFA notes, small multifamily properties constitute a large segment of the multifamily market and are important sources of affordable housing for low-income households.

NAHB has commented in the past about the Enterprises' poor performance related to providing market liquidity for small multifamily loans. Freddie Mac virtually exited this market, having provided financing for only 459 units in 2010, although its performance improved a bit each year since then, financing 1,128 such units in 2013. Fannie Mae financed 12,460 such units in 2010, and improved somewhat each year until 2013, when it financed 21,764 loans (a small decrease from the year before).

NAHB therefore supports FHFA's proposal to establish a low-income small multifamily goal and generally supports the goal levels as recommended for the 2015 – 2017 period. However, NAHB does recognize that both Enterprises will need time to ramp up their programs to support small multifamily properties, especially Freddie Mac. This may take some time and thus FHFA may need to readjust the goals levels during the 2015 – 2017 period.

Other Comments

Measurement of the Single Family Market

FHFA has asked for comments on how the single family mortgage market is measured in order to set the benchmark levels and determine the market levels for the single family goals. Though the prospective benchmark levels and the retrospective market levels are intended to reflect the percentages of single family mortgage originations that are eligible for purchase by the Enterprises within each goal category, FHFA currently does not include mortgage loans with rate spreads of 150 basis points or more above the applicable average prime offer rate (APOR) when making these calculations. Since the Enterprises purchase these loans and they count toward their goals, incorporating them into the calculation of the market size would increase the number of mortgage loans the Enterprises would have to purchase to meet each single family goal and subgoal.

NAHB believes that since Fannie Mae and Freddie Mac are not precluded from purchasing these mortgage loans, they should be included in FHFA's determination of the single family market, even though HMDA data indicate the volume of mortgage loans originated in this category is quite small. Home Ownership Equity Protection Act (HOEPA) mortgage loans with mortgage interest rates that exceed 650 basis points over the APOR should continue to be ineligible for purchase by the Enterprises.

NAHB believes mortgage loans between 150 and 650 basis points above the APOR are slightly more likely to be originated, as a percent of total loans, by lenders to low- and very-low income census tracts. Counting these mortgages in the universe of mortgage loans eligible for goal credit means more mortgage loans to low- and very low-income homebuyers would be required to be purchased by the Enterprises to meet their annual housing goals.

<u>Blanket Loans on Manufactured Housing Parks</u>

FHFA requests comments as to whether or not it should allow blanket loans on manufactured housing parks to be counted towards the multifamily housing goals. Alternatively, FHFA suggests it may defer consideration on this and instead address it as part of a separate, upcoming proposed rulemaking on the duty to serve underserved markets.

NAHB believes that, since HERA directed FHFA to include manufactured housing as part of the Enterprises' duty to serve, FHFA should consider treatment of manufactured housing in that context, not as part of the multifamily goals.

<u>Reporting Requirements for Single Family Rental Units</u>

Beginning in 2015, FHFA plans to require the Enterprises to provide detailed information on their purchases of mortgages on single family rental properties. The Enterprises would report purchases of mortgages on all single family, 1-4 unit properties with rental units whether they are in investor-owned (all rental units) properties or owner-occupied (one unit occupied by owner) properties. The current housing goals do not include or track rental units in 1-4 single family properties, although mortgages financing these properties are counted toward the single family goals if the borrowers and/or properties meet applicable goals requirements. Incorporating this change will provide more complete information of the Enterprises' financing of rental units, whether in multifamily or single family rental properties.

NAHB is supportive of FHFA's intention to collect information on single family rental properties. According to the Census Bureau's 2011 American Housing Survey, there were nearly 39 million rental properties in the United States. The largest single share of rental properties was single family detached homes. When combined with single family attached homes, the combined share of the rental housing stock in single family homes increased to 36 percent. Properties with 2-4 units contained the second largest share of rental units at 19 percent. Collecting additional information about these properties, such as the affordability of rent, minority concentration of the census tract, and state, as is currently available for multifamily rental properties, would provide valuable insight regarding an increasingly important sector of the affordable housing market. NAHB requests clarification regarding how FHFA intends to use this additional information collected from the Enterprises.

<u>Conclusion</u>

NAHB appreciates that FHFA is moving forward with updated goals for the 2015-2017 period for the Enterprises. FHFA must ensure the safety and soundness of two entities critical to the current housing finance system, but whose future is uncertain at best. With their charters still in effect, the Enterprises' affordable goals should remain in effect until such time as FHFA determines they are having a negative impact on the safety and soundness of the Enterprises.

NAHB thanks FHFA for the opportunity to comment on the proposed Enterprise housing goals for 2015-2017. If you have any questions regarding these comments, please feel free to contact Claudia Kedda, Senior Director, Multifamily and Affordable Housing Finance, at 202-266-8352 or ckedda@nahb.org or Rebecca Froass, Director, Financial Institutions and Capital Markets, at 202-266-8529 or rfroass@nahb.org.

Sincerely,

Michelle C. Hamecs

Michelle (Chellie) Hamecs
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