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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

October 28, 2014

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

General Counsel Pollard:

I am writing on behalf of Woodstock Institute, a leading research and policy nonprofit organization focused on fair lending, wealth creation, and financial systems reform. Our mission is to create a just financial system in which lower-wealth persons and communities of color can safely borrow, save, and build wealth so that they can achieve economic security and community prosperity. In addition, we are a member of the National Community Reinvestment Coalition (NCRC).

As the United States becomes more racially and ethnically diverse and the number of lower-wealth households continues to increase, reducing barriers to homeownership, expanding the range of mortgage options, and opening up opportunities in the conventional mortgage market for first-time and lower-wealth homebuyers are critical issues for these communities, the housing industry, and the well-being of the nation's economy as a whole.

Woodstock Institute commends the Federal Housing Finance Agency (FHFA) for recognizing that Fannie Mae and Freddie Mac (the Enterprises) must lead the market in ensuring that lower-wealth homebuyers can obtain mortgages to purchase, and that lower-wealth homeowners can refinance their homes. The proposed 2015-2017 Housing Goals, however, fail to take the right steps to ensure that the Enterprises will do enough to reduce barriers to access and address the liquidity challenges for loans made to lower-wealth homebuyers and homeowners. The FHFA, through its policies and rulemaking, must face the fact that, in the future, low- and moderate-income borrowers and people of color will not be a niche market, but, rather, will be among the mortgage industry's core consumers. Therefore, we urge the FHFA to address the concerns raised in the NCRC'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) the Agency's estimated size of the low- and moderate- income (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) the Agency's conclusion that the data included 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 10 years, the affordable housing goals have helped 1,262,343 households—and 65 percent of low- and moderate-income households— in Illinois become homeowners or benefit from affordable rental housing. As a result, families have been able to realize real economic gains from their housing options and build savings. 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 us.

Sincerely,

Dory Rand

A handwritten signature in cursive script that reads "Dory Rand".

President, Woodstock Institute