

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:

The Center for New York City Neighborhoods is a non-profit organization that works to promote and protect affordable homeownership in New York. In addition, we are also a member of the National Community Reinvestment Coalition (NCRC).

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 and generating opportunities in the conventional mortgage market are critical issues for communities across the country, 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 the Enterprises must lead the market in purchase and refinance opportunities for these potential homeowners, the proposed 2015-2017 Housing Goals fail to adequately 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 rulemaking, simply cannot ignore the fact that, in the future, low- and moderate-income borrowers and people of color will no longer be a niche market, but likely the mortgage industry's core market. 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.

Concerns and recommendations addressed in NCRC's comment letter:

- (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 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 will be strengthened by addressing NCRC's concerns and adopting the coalition's recommendations.

Additionally, we would like to stress the importance of two-to-four unit owner-occupied homes in furthering affordable housing goals, and urge you to adopt the following proposal in the final rule:

Bonus credits for two-to-four unit owner-occupied housing

Owner-occupied two-to-four unit housing is an important segment of the housing market and one where there is a need for increased access to credit for qualified borrowers. When well underwritten, and combined with quality housing counseling, owner-occupied two-to-four unit properties are an important opportunity for affordable homeownership for lower-income borrowers, with rental income supporting mortgage payments and building maintenance.

Accordingly, we support a bonus credit valued at 1.25 for two-to-four unit buildings that are owner-occupied, and where the owner has completed housing counseling with a HUD-approved housing counseling agency, which includes landlord counseling for owner-occupants of two-to-four unit buildings.

Promoting affordable homeownership in New York State

Over the past 10 years, the affordable housing goals have helped 1,088,987 households in New York 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. We firmly believe that the affordable housing goals are far too important to preserving and building the assets and savings 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 Caroline Nagy at caroline.nagy@cnycn.org or 646-237-5921.

Sincerely,



Christie Peale
Executive Director,
Center for New York City Neighborhoods