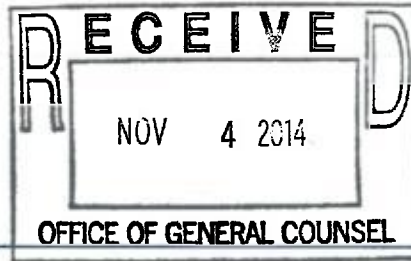


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Mr. Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
400 Seventh Street, SW., Eighth Floor,
Washington, DC 20024

Attention: Comments/RIN 2590-AA65

October 27, 2014

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

General Counsel Pollard:

PathStone Corporation is a large multi-state community development organization headquartered in Rochester, New York. We work in seven states and Puerto Rico providing first time home owner programs, credit counseling and affordable housing development and property management for low and moderate income renters. We see first hand the importance of having a federal housing policy that not only supports low income renters but also supports to the maximum extent possible the desire of low and moderate income people to become homeowners and we believe that the Affordable Housing Goals have done this in past years and we hope that the Federal Housing Finance Agency will return to the position of supporting robust affordable housing goals that support the aspirations of a broad economic spectrum of Americans who wish to become home owners.

PathStone Corporation is a member of the National Community Reinvestment Coalition (NCRC) and we fully support the position that NCRC has taken on the goals and we urge you to work with them to propose goals that take into account the fact that low and moderate income people are going to represent a large portion of potential home buyers in our country in the 21st century.

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 these 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 the Enterprises 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 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) 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 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 many households in the states that PathStone runs first time home buyer programs become homeowners or benefit from affordable rental housing.

In New York for instance 1,088,987 households were financed as a result of the affordable housing goals during the period from 2003 through 2012. This represented 36% of the low to moderate income home owners and renters in the state.

In Pennsylvania 867,441 households were financed as a result of the affordable housing goals during the period from 2003 through 2012. This represented 43% of the low-to-moderate income home owners and renters in the state during that period.

In Indiana where we also offer a first time homeowner program 537,346 households were financed as a result of the affordable housing goals during the period from 2003 through 2012. This represented 55% of the low-to-moderate income home owners and renters in Indiana.

Because of the Affordable Housing Goals 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 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 Hubert Van Tol at 585-340-3385

Sincerely,



Hubert Van Tol

Senior Director for Economic Development

CC: NCRC