

Memorandum

Meeting on January 20, 2015

FHFA attendees: Director Mel Watt, Janell Byrd-Chichester, Megan Moore, Bob Ryan, Eric Stein, Sandra Thompson, Mario Ugoletti

Other attendees: Mike Calhoun (Center for Responsible Lending), Wade Henderson (Leadership Conference on Civil and Human Rights), Yana Miles (Center for Responsible Lending), Mark Zandi

Information was presented to FHFA on the proposed rule for the Affordable Housing Goals for 2015-17, and specifically on the models used in the proposed rule to predict affordable housing activity. Attendees believe the models were unreliable and understated the level of affordable housing activity in the coming three years. Attendees provided a handout showing market and economic indicators and levels of affordable housing since 2000. They argued that the levels in the past were generally higher than the levels in the proposed rule. They argue that the models used in the proposed rule have limits and do not accurately predict current economic conditions, such as current interest rates, unemployment and home prices. Attendees also proposed revisiting the goals on an annual basis, not every three years. They also suggested civil penalties in failed years.