

From: francis.mcilveen
To: [IFHFA REG-COMMENTS](#)
Subject: Comments/RIN 2590-AA27"
Date: Wednesday, December 16, 2015 4:04:29 PM

Please see comments below:

65. Should affordable homeownership be preserved for longer than 30 years to qualify for Duty to Serve credit and, if so, for how long?

As a practitioner in the Community Land Trust model, we have found that a 99-year Community Land Trust ground lease (or land lease) is the strongest, most enforceable model for preserving affordability, because title can not change hands without the involvement of the steward (the CLT). Where enforceable, we feel that it makes the most sense to require a 99 year affordability restriction, to ensure affordability and community stability. A current crisis in the San Francisco Bay Area, is the expiration of the first wave of 30 year deed restrictions on affordable ownership properties. At a minimum, the Duty to Serve credit should be reserved only for those programs which have a built-in recapture/recycling mechanism to re-start the clock on affordability restrictions at each resale. However, even that won't preserve the units which remain in one family past the 30 year expiration, so there will still be long-term attrition of affordable homes. A 99-year term, with resale triggered reset of term, virtually ensures *permanent* affordability. And don't we owe that to our grand children, and great grandchildren, particularly after all the hard work invested in creating these projects?

66. Should Enterprise support for affordable homeownership preservation be a Regulatory Activity?

If 'Regulatory Activity' means that it becomes enforceable, then absolutely yes. Voluntary programs, with little incentive, and no penalty, have continued to result in very little mortgage products, and very few front-line lenders willing to originate mortgages for permanently affordable CLT homes. In the San Francisco Bay area, after 2008, there was virtually only one mortgage lender willing to do mortgages on CLT homes. Now, in 2015, there is still only one which is efficient, and two others who are willing (and have done mortgages), but which are slow and still—in my opinion—on the fence about committing over the long term to doing them. The major banks—Wells Fargo, Citi, Chase, BofA etc.—none of them are doing mortgages on CLT homes in our region.

67. How can the Enterprises provide further support for affordable homeownership preservation beyond those specified above or in the proposed rule?

A dramatic, and innovative approach would be for the Enterprises to offer a new mortgage product (or secondary mortgage product) to co-operative forms of homeownership. Specifically, a fully amortized, 30 year mortgage, at homeowner mortgage rates, for low-income, permanently affordable co-ops (such as limited equity housing co-ops in the CLT model) would dramatically improve the affordability for such co-ops. Currently, these co-ops are forced to finance their homes through a commercial real estate loan, typically of 5 to 10 year term, and with a much higher interest rate than those available to single family homeowners. Besides the higher interest rates, the need to refinance at least two to 5 times, greatly erodes the affordability and stability of these very innovative and necessary projects—particularly in high cost urban areas where traditional multi-family ownership projects (such as condos or town homes) are so expensive to construct that affordable co-op models become one of the primarily feasible models for creating affordable ownership housing.

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From: Duty To Serve Stakeholders [<mailto:DutyToServeStakeholders@fhfa.gov>]
Sent: Tuesday, December 15, 2015 9:02 AM
Subject: FHFA Duty to Serve Webinar

Greetings:

Today, the Federal Housing Finance Agency (FHFA) issued a new Duty to Serve proposed rule. The Duty to Serve requires Fannie Mae and Freddie Mac to increase their secondary market activities to help very low-, low-, and moderate-income families buy or rent a home. The proposal would require each company to develop a plan to support lending by financial institutions for three types of housing:

- <!--[if !supportLists]-->• <!--[endif]-->Manufactured housing
- <!--[if !supportLists]-->• <!--[endif]-->Affordable housing preservation
- <!--[if !supportLists]-->• <!--[endif]-->Rural housing

Here are links to the [press release](#), the [proposed rule](#), and the [fact sheet](#).

- <!--[if !supportLists]-->• <!--[endif]-->FHFA will host a webinar on the Duty to Serve proposed rule at 2 p.m. EST, Tuesday, December 22. The webinar is intended to increase public awareness of the proposed rule, summarize its contents, and answer your questions.

- <!--[if !supportLists]-->• <!--[endif]-->After a summary presentation, FHFA staff will address only questions on the Duty to Serve submitted to FHFA in advance. Please **submit any questions by 4 p.m. EST, Friday, December 18** to: DutyToServeStakeholders@FHFA.gov. Please put "question" in the subject line. Please note that questioners may be identified during the webinar if their questions are selected. All questions, the identities of the questioners, and FHFA's responses will be included in the public comments record for the proposed rule.

- <!--[if !supportLists]-->• <!--[endif]-->The webinar will be open to any interested

party. Feel free to forward this message to anyone who may be interested in the webinar or Duty to Serve.

• To register for the webinar, please click on the link below.

If you prefer not to receive emails about the Duty to Serve, please email DutyToServeStakeholders@FHFA.gov and put "remove" in the subject line.

[<image001.jpg>](#)

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