



February 24, 2016

Mr. Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
400 7th Street SW, Eighth Floor
Washington DC, 20219
RE: RIN 2590-AA27- Enterprise Duty to Serve Underserved Markets

Dear Mr. Pollard:

Thank you for issuing the Federal Housing Finance Agency (FHFA) proposed rule regarding the duty of Fannie Mae and Freddie Mac (Enterprises) to serve underserved markets. The role of the Enterprises is critically essential to providing housing market liquidity and establishing affordable housing in the purchase and rental markets. Fannie Mae and Freddie Mac have helped millions of families achieve the dream of homeownership, which otherwise might have been impossible. That said, Fannie Mae's and Freddie Mac's current state of conservatorship continues to erode the Enterprises' ability to effectively accomplish housing affordability, especially in underserved markets. As a result, homeownership numbers among vulnerable minority groups have significantly decreased, or otherwise not rebounded from the great recession.

In 2014, only 5.2 percent of all mortgage loans were made to African-Americans, according to data collected under the Home Mortgage Disclosure Act (HMDA). In the second quarter of 2015, the African-American homeownership rate registered at 43 percent, its lowest level in 20 years, which was down from about 50 percent in 2004. For Hispanics in the second quarter the numbers were not much better, at 45.4 percent.

We fully support the agency's Duty to Serve proposal, and would ask it to further consider how best to incorporate strategies that effectively incentivize safe and sound investments in areas of high poverty concentration. Successful planning and investing in these areas are essential to attracting market rate investments and generating economic development sufficient for job creation. When done properly, in coordination with various state, regional and local leaders, achieved results can have the benefit of increasing economic opportunities for families and residents who are indigenous to the community. We therefore would recommend the FHFA mandate a focus on areas of high poverty concentration, versus incentivizing such activity.

In any event, conservatorship is a major impediment to the Enterprises fully achieving their public purpose, and increasing homeownership in underserved markets. Although Duty to Serve plans are essential, their effectiveness is dependent on the Enterprises moving out of conservatorship. Thank you for the opportunity to provide comment on these important issues.

Yours For The Sake Of Christ,

Rev. George C. Gilbert, Jr.

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