



**CHICAGOLAND BLACK  
CHAMBER OF COMMERCE, INC**

**DEDICATED TO ECONOMIC INDEPENDENCE  
“LEAVE NO BUSINESS BEHIND”**

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February 29, 2016

Mr. Alfred M. Pollard

General Counsel

Federal Housing Finance Agency

400 7<sup>th</sup> Street SW, Eighth Floor

Washington DC, 20219

**RE: RIN 2590-AA27- Enterprise Duty to Serve Underserved Markets**

Dear Mr. Pollard:

We commend the FHFA for proposing rules governing Fannie Mae’s and Freddie Mac’s (Enterprises) duty to serve underserved markets, and recommend the agency consider how best to achieve significant impact in areas of high poverty concentration. Though the agency proposes providing extra credit for Enterprise plans when areas of high poverty concentration are included, we propose mandating such plans, to ensure significant investments and maximum impact. The FHFA should further establish appropriate parameters to ensure that plans are developed and implemented consistent with the Safety and Soundness Act. One such parameter could include required coordination and agreement with state and local economic development efforts.

That said, the effectiveness of the Enterprises’ Duty to Serve plans, including their ability to successfully implement planned strategies, is wholly connected to Fannie Mae’s and Freddie Mac’s state of conservatorship. Under conservatorship, and as structured, the Enterprises cannot use profits to protect against risks, and cannot effectively address the low number of mortgage loans among African Americans. We are concerned that if Fannie Mae and Freddie Mac are not brought out of conservatorship soon, these needed tools of affordable housing will be permanently eliminated, leaving underserved communities absent the necessary market liquidity to make homeownership possible.

While under conservatorship, homeownership rates in communities of color have suffered significantly. According to a recent article in the Washington Post, the homeownership rate for African Americans in 2007 was 47.7 percent. In the fourth quarter of 2015, that number shrunk to 41.9 percent.<sup>1</sup> Moreover,

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<sup>1</sup> <https://www.washingtonpost.com/news/fact-checker/wp/2016/02/18/sanderss-claim-that-the-african-american-community-lost-half-of-their-wealth-in-the-wall-street-collapse/>

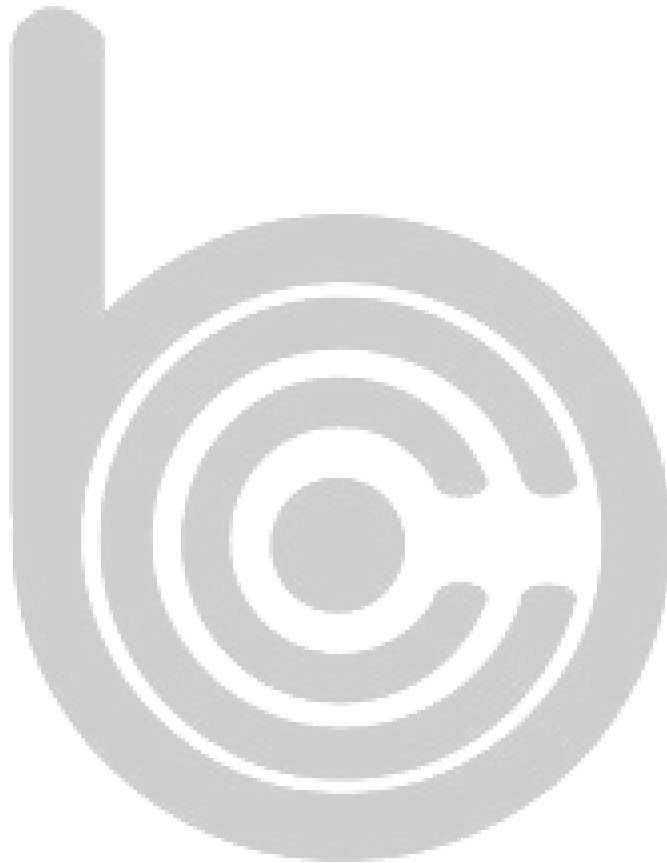
African Americans are more likely than their white counterparts to be denied a mortgage, at a rate of 2.7 times.<sup>2</sup>

Homeownership is critical for building financial security and moving more Americans into the middle class. We fully support efforts to appropriately ensure that underserved markets are served, however, we know that if the Enterprises are to be fully effective, they must be preserved and removed from conservatorship.

Sincerely,

*Arness Dancy,*

Co-Founder/Pres/CEO



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[http://www.philly.com/philly/business/real\\_estate/20150216\\_ZILLOW\\_Mortgage\\_Denial\\_Rate\\_Higher\\_for\\_Blacks\\_\\_Hispanics.html](http://www.philly.com/philly/business/real_estate/20150216_ZILLOW_Mortgage_Denial_Rate_Higher_for_Blacks__Hispanics.html)