

**Duty to Serve Rulemaking
Proposed Rule (80 Federal Register 79182 (Dec. 18, 2015))**

**Follow-up Roundtable Between the Federal Housing Finance Agency (FHFA) and Rural
Housing Market Stakeholders**

May 2, 2016

Constitution Center, 400 7th St., S.W., Washington, D.C.

2:00 p.m. – 3:00 p.m. Eastern Standard Time

Attendees (By phone):

FHFA staff: Matt Douglas, Jim Gray, Nina Griffith, Carrie Johnson, Stefanie Johnson, Sharon Like, Mike Price, Jeannine Schroeder, Mitzie Smith-Mack, and Danielle Walton

Laura Buxbaum (Coastal Enterprise of Maine)
Thomas Carew (Federation of Appalachian Housing Enterprises)
Michael Carroll (Rural Community Assistance Corporation)
Alicia Sebastian (California Coalition for Rural Housing)
Blair Sebastian (New York State Rural Advocates)

Summary: On May 2, 2016, FHFA staff identified above met with the above-referenced rural housing market stakeholders representing varied rural housing market interests, in connection with FHFA’s 2015 Duty to Serve (DTS) proposed rule. This Roundtable was a follow-up Roundtable for rural housing market stakeholders who were unable to participate in the first DTS Roundtable on rural housing markets held on April 19, 2016 due to technical call-in difficulties. The purpose of this meeting was to provide the stakeholder attendees, who had previously submitted written public comments to FHFA on the proposed DTS rule, with an opportunity to discuss those comments, express their views on the comment letters submitted by others, or provide views on clarifying questions from FHFA regarding the comments. The following is a summary of the attendees’ discussions at the meeting and reflects solely the views of the attendees as captured by FHFA staff. The term “Enterprise” refers to Fannie Mae or Freddie Mac.

Proposed definition of “rural area”

Attendees discussed views on the rule’s proposed definition of “rural area.” Some attendees stated that the proposed definition should be broad but not include suburban areas. A number of attendees recommended using the Housing Assistance Council’s (HAC) modification to the proposed definition as described in HAC’s public comment letter. Some support was also expressed for using the existing USDA definition of “rural.”

Proposed definition of “high-needs rural region”

Attendees discussed views on the rule’s proposed definition of a high-needs rural region. One attendee supported the proposed definition’s inclusion of colonias.

Attendees discussed including possible additional or alternative high-needs rural regions, with some recommending that “persistent poverty counties” be included in the definition.

Proposed definition of “migrant and seasonal agriculture workers”

One attendee pointed out that the definition of migrant and seasonal agriculture workers did not adequately account for agricultural workers who are employed at places like dairy farms, who are still in need of housing but are more sedentary in their work patterns.

Proposed DTS Underserved Markets Plans and evaluations

Attendees discussed views on the rule’s proposed Enterprise Underserved Markets Plans, FHFA evaluation and scoring of Enterprise performance under their Plans, and possible alternative approaches. Several attendees recommended that the Enterprises create advisory committees similar to the Advisory Councils used by the Federal Home Loan Banks for their programs, or that a representative of rural housing market interests be included on the Enterprises’ existing advisory committees.

Other

Attendees also discussed other areas for Enterprise support under the DTS, including preservation related to USDA Section 538 and 515 loan programs, small multifamily rental properties, manufactured housing units titled as personal property (chattel), manufactured housing communities, low-income housing tax credits in rural areas, and broadening of the Enterprises’ underwriting standards in underserved areas.