



Greenlining Institute Comments on the Federal Housing Finance Agency's
Request for Comments on 2012-2014 Enterprise Housing Goals

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As you may know, the Greenlining Institute (Greenlining) is a research, policy and advocacy organization working to create opportunities for communities of color to participate in the American Dream. Greenlining remains connected to the grassroots via the Greenlining Coalition, a diverse group of nearly forty African American, Asian American, and Latino community-based organizations who collaborate to increase the size of the pie for all communities.

Greenlining appreciates the opportunity to comment on the proposed rule that would amend FHFA's existing housing goals regulation to establish housing goals for 2012-2014 for Fannie Mae and Freddie Mac (collectively, the Enterprises).

Understanding Declines in Mortgage Applications for African Americans and Latinos

As the supplementary information suggested, the housing market has been bleak for the nation, but most notably for communities of color. For a number of reasons, communities of color and low-income consumers have limited access to affordable and sustainable home loans in the wake of the crisis and impending regulatory, legislative, and industry changes to our housing finance system may make the dream of homeownership even harder to attain in the coming years.

Recent settlements have confirmed that African American and Latino borrowers have been discriminated against by banks and their brokers, in extending higher priced subprime and FHA loans, when they qualified for prime and conventional loans¹². Given the fact that better oversight and regulation is becoming more visible to consumers, do you think loan applications for those communities will increase over the next three years? If so, does the use of 2010 mortgage applications underestimate the potential market for African American and Latino homeowners?

Affordable Credits: Converting Affordable Multi-Family Housing to Market Rate Rental Housing

As rental demand continues to increase with the stagnant housing market, rental prices have continued to rise. Though all Americans are renting at higher rates, communities of color have been and will continue to be disproportionately affected by the increased price of renting.

Greenlining applauds FHFA's current regulation that **does not extend** housing goals credit to multifamily properties converting from affordable rents to market rate rents. Amending this regulation to extend such credit could ultimately incentivize a large number of owners to convert affordable rental to market rate rental, therefore pricing already struggling consumers out of even the rental market.

Greenlining urges FHFA to never extend housing goals credit to mortgages that result in the conversion of multifamily properties from affordable rents to market rate rents.

¹ <http://www.justice.gov/opa/pr/2012/July/12-dag-869.html>

² <http://www.calreinvest.org/news/report-finds-fha-va-lending-disproportionately-prevalent-in-neighborhoods-of-color>