National Association
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July 25, 2012

Mr. Alfred M. Pollard, Esq.
General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street, N.W.
Washington, DC 20552

RE: **2012-2014 Enterprise Housing Goals**

Dear Mr. Pollard:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions (FCUs), I am writing to you regarding the Federal Housing Finance Agency (FHFA) proposed rule regarding Enterprise Housing Goals for the years 2012-2014.

As indicated in the *Federal Register* notice, the FHFA is required by the Housing and Economic Recovery Act of 2008 to establish Fannie Mae's and Freddie Mac's (Enterprises) housing goals. The housing goals establish the portion of the Enterprises' portfolios that must consist of loans made to underserved areas or groups.

Under the proposed rule, the benchmarks that the Enterprises will be expected to meet will generally be the same or slightly lower for 2012-14 than those established for 2010 and 2011. The one exception is the benchmark for low-income families, which would be lowered from twenty-seven percent of the purchased money mortgage each Enterprise purchases to twenty percent. The GSE housing goals before the housing crisis, which were established under a different statutory regime, were considerably higher.

NAFCU generally supports the proposed rule. As the Enterprises continue to operate under FHFA's conservatorship, it is important that the FHFA regularly performs thorough analysis of its regulations that apply to the entities. Further, given the continued financial challenges they face, the Enterprises should not be stifled by elevated levels of housing goals and benchmarks that may perpetuate their financial struggles. Instead, they should have the flexibility necessary to determine how best to stabilize and improve the conditions of their respective portfolios.

As we have stated previously, NAFCU strongly supports a healthy and equitable secondary housing market. We are fully aware that the role of the Enterprises in this market will likely change. However, in the meantime and also to ensure that market reform is not so drastic as to create unnecessary obstacles to continued access for credit unions, who need a stable and equitable secondary market to have continued access to liquidity, it is pivotal that the Enterprises' financial condition first improves.

NAFCU appreciates the opportunity to provide comments on the proposed rule. Should you have any questions or would like to discuss these issues further, please contact me at ttefferi@nafcu.org or at (703) 842-2268.

Sincerely,

Tessema Tefferi

Tessema Tefferi
Regulatory Affairs Counsel