



April 12, 2010

Alfred M. Pollard  
General Counsel  
Attention: Comments/RIN 2590-AA26  
Federal Housing Finance Agency  
Fourth Floor  
1700 G Street NW  
Washington, DC 20552

Re: RIN 2590-AA26, 2010-2011 Enterprise Affordable Housing Goals

Dear Mr. Pollard,

The National Council of State Housing Agencies (NCSHA) is pleased to have the opportunity to provide comments on the Federal Housing Finance Agency's (FHFA) proposed 2010-2011 affordable housing goals for the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac. NCSHA is a national nonprofit, nonpartisan Washington, DC-based association that represents the interests of state Housing Finance Agencies (HFAs) before the Administration and the Congress. In addition to its policy and advocacy work, NCSHA provides HFAs education and training and facilitates best practice exchange among them.

HFAs are state-chartered housing agencies that operate in every state, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands. Though they vary widely in their characteristics, including their relationship to state government, HFAs have in common their public-purpose mission to provide affordable housing to the people of their states who need it. HFAs administer a wide range of affordable housing and community development programs, including tax-exempt Housing Bonds, the Low Income Housing Tax Credit (Housing Credit), HOME, Section 8, downpayment assistance, and state trust funds.

NCSHA supports the efforts of Congress and FHFA to require the GSEs to conduct mission-oriented activities through affordable housing goals. As one of the organizations that helped draft the original affordable housing goals legislation and worked with the Administration to develop their regulatory structure, we support strong goals. We believe they have been effective at increasing the GSEs' involvement in affordable housing. We also support aggressive enforcement of those goals.

We hope that in the FHFA's 2010-2011 goals rule and any future GSE regime, the GSEs' affordable housing goals and their enforcement will encourage the GSEs to wholly integrate within their business cultures and across their operations a dedication to affordable housing and underserved market financing. These activities should be pursued by these entities broadly and consistently, not as side or niche businesses.

The GSEs should make low-cost capital available to support a broad range of affordable housing financing needs, including affordable homeownership lending; rental housing development; predevelopment, site acquisition, and construction lending; subordinate lending; and small and mixed-property financing. They should provide support in a variety of ways, including through the purchase and securitization of mortgages, lines of credit, and loan guarantees, all with reasonable rates and terms. They should invest in Low Income Housing Tax Credits (the Housing Credit) and Housing Bonds to stabilize and improve pricing in those markets and refrain from selling such investments in a manner that will have destabilizing effects on those markets.

NCSHA also urges FHFA to recognize the time-tested and consistently high-performing HFA delivery system that extends the reach of the GSEs and helps them achieve their affordable housing goals. We urge you to award goals credit when the GSEs prioritize their relationships with HFAs, work closely with HFAs in designing their affordable housing programs and products, and rely upon HFAs to carry out those activities. We ask you to direct the GSEs to partner with HFAs in meaningful and innovative ways that complement, augment, and expand their activities, rather than compete or work at cross-purposes with them.

Thank you again for the opportunity to comment on FHFA's plans to establish the GSEs' 2010 and 2011 affordable housing goals. Please contact me if NCSHA can provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth B. Rieman", with a long horizontal flourish extending to the right.

Garth B. Rieman  
Director, Housing Advocacy and Strategic Initiatives