



formerly Monmouth Housing Alliance

"We Help With Housing"

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Submitted via E-mail to RegComments@fhfa.gov

RE: Comments / RIN 2590-AA27
Notice of Proposed Rulemaking on Enterprise Duty to Serve Underserved Markets

Dear Mr. Pollard,

Thank you for the opportunity to provide comments on the proposed rule for the enterprises' duty to serve underserved markets. I support I'M HOME, a national network facilitated by CFED that seeks to ensure that all homeowners, regardless if their home is site-built or manufactured, enjoy the same rights and privileges of homeownership and also works to promote manufactured housing as an affordable and high-quality homeownership option.

I join CFED in submitting the following comments to the FHFA on the advanced notice of rulemaking on duty to serve. Manufactured housing is an important affordable housing option in my community. I call on the FHFA to ensure that the enterprises serve the low-income homeowners and communities that depend on this affordable housing choice.

Conservatorship

We recognize the enterprises' conservatorship status and appreciate the FHFA's continued expectation that they fulfill their core statutory purposes, which include affordable housing. We share CFED's concern, however, that the focus on existing core business activity and requirement that the enterprises not engage in new lines of business will be interpreted in an overly cautious way.

The spirit and purpose of the duty to serve rule stems from the recognition that these markets have been underserved and that a targeted focus on serving manufactured housing, preservation and rural markets need be encouraged. Excluding all new activities goes against the intent and purpose of serving underserved markets. The recession, combined with the opportunities provided by conservatorship, should be the time for innovation within these underserved markets – in a safe and sound manner that recognizes the lessons learned from our recent housing bubble.

Personal Property Loans

I agree with the FHFA's recognition that sustainable homeownership results, in part, from the enforcement of appropriate consumer protections. I also acknowledge the added difficulty in developing guidance that would address this concern and therefore understand the FHFA's exclusion of personal property, or chattel, financing from duty to serve. However in the state of NJ this will exclude nearly all of the 27,000 manufactured homeowners. In our particular case we have received state dollars to purchase a manufactured home park and operate it as a nonprofit entity for such purposes in perpetuity. The owners in this park have as much protection to their home equity as any stick built homeowner who receives a mortgage. It is unfair that people who live on boats can get the benefits of mortgages and tax credits but families who chose manufactured housing as their permanent home remain second class citizens. It is about time the federal government acknowledges there are hundreds of thousands of its citizens who call manufactured housing their permanent home and have no more intent to drive away in it than any other form of homeowner. These homeowners need fair and reasonable opportunities to buy this form of housing in a competitive mortgage market with controls and regulation.

Manufactured Home Communities

I appreciate the FHFA's recognition of the importance of manufactured home communities to the availability of affordable housing. The proposed rule's recognition of the shortage of financing in this segment of the market underscores the importance of this rule. I join CFED in urging the FHFA to include assistance to manufactured housing communities within the duty to serve final rule.

Safety and soundness must be a key consideration in the development of multi-family products for manufactured home communities. Lender interests, in addition to consumer interests, must be weighed heavily when determining under what parameters such activities would be considered toward duty to serve. Resident ownership or in our case nonprofit community development ownership provides for both lender and consumer protections.

Evaluation

I join CFED in supporting the FHFA's proposal to establish an evaluation system similar to the one used for the Community Reinvestment Act and also support the Underserved Markets Plan that would specify actions and results for each assessment factor and for each underserved market.

I would underscore CFED's position that the intent of duty to serve is to provide liquidity to this underserved market and call on the FHFA to ensure that the enterprises are doing all they can to serve all aspects of the manufactured housing market in a safe and sound manner. Moreover, in its evaluation, the FHFA should recognize the importance of the nonprofit sector in providing innovation, market intelligence and field-building that will ultimately lead to a stronger and more vibrant market. I also support CFED's recommendation that the FHFA consider a formal public comment element in the submission and review process.

Thank you for your time and attention to this important segment of the nation's affordable housing market.

Sincerely,

Donna M. Blaze

Donna M. Blaze, CEO