



July 19, 2010

VIA UPS OVERNIGHT AND E-MAIL

Mr. Alfred M. Pollard  
General Counsel  
Attention: Comments/RIN 2590-AA27  
Federal Housing Finance Agency  
Fourth Floor  
1700 G Street, N.W.  
Washington, DC 20552

Dear Mr. Pollard,

With \$100 million in annual revenues and sales of over 2,000 manufactured homes per year in our regional market, we felt it necessary to contact you with our observations and comments on the Agency's proposed rules on the Enterprise Duty to Serve Underserved Markets. Our comments are prefaced by the fact that nearly half of our sales are financed through chattel (personal property) loans. Most lenders who have traditionally served this market have, over time, failed or exited the market for other reasons, adding to a significant decline in national manufactured housing sales over the past 10 years.

**1. The exclusion of personal property financing fails the tests mandated by Congress and the Agency's own goals of reaching low income buyers in rural areas lacking a traditional construction infrastructure. See 75 Federal Register No. 108 at 32102-4.**

Manufactured housing traditionally serves precisely this market segment and it has done so, in the past, largely through personal property (chattel) financing. Lenders who have provided such financing are, today, in vastly diminished numbers. Therefore, the Agency's goals will be met, in part, by providing chattel lending capacity. The simple fact is that low income families in rural areas who have selected manufactured housing either can't afford or simply can't use traditional land-home, conforming loans. In many cases the homes are cited on leased (rather than owned) property.

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**2. The Agency must set realistic and measureable goals for the Enterprises.**

While the Agency has clearly acknowledged the necessity of supporting manufactured home financing, the exclusion of chattel-type loans significantly dilutes the goal of serving this underserved market. With some estimates indicating that manufactured housing loans may represent only 1% of all Enterprise lending activity under these proposed rules, specific goals should be set and measured. For example, manufactured housing loans should represent an increasing percentage of the total Enterprise portfolio over time, returning gradually to its historic levels (15% or higher). We would gladly assist you developing these targets if needed.

In summary, we ask that you include the capacity for personal property loans and specific targets for manufactured housing loans (of any type) in your rules.

Feel free to contact the undersigned with any questions.

Thank you.

Sincerely,



Finis F. Teeter  
Chairman, President and CEO

cc: Thayer , Manufactured Housing Institute  
Senator Kay Bailey Hutchison, Russell Senate Office Building  
Senator John Cornyn, Hart Senate Office Building