

From: nyhousing [nyhousing@nyhousing.org]
Sent: Tuesday, July 20, 2010 3:03 PM
To: !FHFA REG-COMMENTS
Subject: RIN 2590-AA27

Following is a letter to the Federal Housing Finance Agency in opposition to the proposed rule (Enterprise Duty to Serve Underserved Markets) which would "consider only manufactured homes titled as real property for purposes of the duty to serve the manufactured housing market. . . FHFA is proposing that only loans titled as real property be considered towards the Enterprise's 'duty to serve'.

There is no way to surrender title in New York State on a manufactured home. We urge the FHFA to retract their non-real property stance.

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July 20, 2010

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

Re: RIN 2590-AA27

Dear Mr. Pollard:

The New York Housing Association (NYHA), incorporated in 1950, was formed to address concerns of manufactured home community owners and retailers. Since its inception, NYHA has grown and evolved into an organization concerned with the total scope of the factory-built housing industry, including modular and manufactured homes. NYHA presently has over 450 corporate members, representing more than 1314 individual manufactured housing communities, retail sales centers, manufacturers, financial institutions, insurance companies, transporters, suppliers, and other affiliated companies.

The purpose of the Association is to promote the general welfare and interest of the factory-built housing industry and the factory-built homeowner within the State of New York. The Association is composed of professionals committed to the quality and growth of the factory-built housing industry.

On behalf of the New York Housing Association, please consider these formal comments in response to the Enterprise Duty to Serve Underserved Markets Notice of Proposed Rule Making and Request for Comments (RIN 2590-AA27) released June 7, 2010.

In developing regulatory guidelines to implement duty to serve provisions outlined in the Housing and Economic Reform Act of 2008 (HERA; P.L. 110-289), initial rules developed by the Federal Housing Finance Agency (FHFA) do not fully reflect congressional intent on the duty government-sponsored enterprises (GSEs) have to serve the manufactured housing market.

HERA tasked the GSEs with developing loan products, flexible underwriting guidelines and a secondary market for mortgages for very low-, low- and moderate- income families for three underserved markets: 1) manufactured housing; 2) rural housing; and 3) affordable housing. Congress further specified that FHFA, in considering whether GSEs have fulfilled their duty to serve obligation, consider loans secured by both real and personal property.

In its proposed rule, FHFA indicates it will consider only manufactured homes loans secured by real property for purposes of the duty to serve the manufactured housing market requirement. We feel this decision misinterprets legislative intent as well as industry realities with respect to the prevalent role personal property lending plays in the manufactured housing market.

The manufactured housing industry serves a vital segment of the housing market. In fact, since 1989, manufactured housing has accounted for 21 percent of all new single family housing sold in the United States. A significant portion of this is in the form of affordable housing, specifically:

- In 2009, 43 percent of all new home sales under \$150,000 and 23 percent under \$200,000 were manufactured homes
- 73 percent of those living in manufactured housing earn less than \$50,000
- 45 percent of manufactured housing borrowers earn 80 percent or less of Area Median Income (AMI)

More than 60 percent of manufactured home owners have relied on a personal property loan in order to finance their home purchase. Therefore, FHFA's initial decision to exclude personal property lending considerations from the GSE's duty to serve obligation effectively eliminates more than half the market to efficiently sell their homes at any price due to the lack of available financing. In many cases, families that needed to move for family, health, job, or economic reasons have been unable to sell their homes at any price due to the lack of personal property home loans.

While the charters of Fannie Mae and Freddie Mac have always allowed for the purchase of personal property loans, they represent only one percent of all loans purchased by the GSEs. Congress recognized this reality, and through, HERA provided FHFA the authority to consider loans secured by both real and personal property in assuring GSEs dutifully serve the needs of the manufactured housing market.

While we appreciate the concerns raised by FHFA to ensure GSEs remain viable economic institutions and that adequate consumer protections are in place, FHFA and the GSEs have an obligation to serve the 18 million Americans that currently reside in manufactured homes. The manufactured housing industry stands ready to address personal property lending issues identified by FHFA in the proposed rule in a substantive and productive manner.

However, the decision to potentially eliminate personal property lending from GSE duty to serve requirements not only fails to serve the underserved manufactured housing market; it fails to serve the larger underserved affordable housing and rural housing markets.

It is for these reasons FHFA is urged to amend its proposed rule to also consider manufactured home loans secured as personal property towards the Enterprise duty to serve requirement.

Thank you for your consideration of these comments.

Sincerely,

Nancy P. Geer

Nancy P. Geer
Executive Director