

Alabama Manufactured Housing Association

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July 21, 2010

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

**Re: Enterprise Duty to Serve Underserved
Markets-75 Federal Register, No.108 at 32009-
RIN 2590-AA27**

Dear Mr. Pollard:

On behalf of the Alabama Manufactured Housing Association (AMHA) please consider these 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.

AMHA represents the manufactured housing industry in the State of Alabama with 13 manufacturing facilities that are second in the nation in production of manufactured homes; 94 retail sales centers that sell affordable homes to citizens with the majority of those homes sold as personal property and titled because land is not available to these consumers; financial companies, insurance companies, communities, developers and material supply companies.

In Alabama manufactured housing represents 28% of all new single-family homes sold in 2009. According to the 2000 Census report one-half of all manufactured homes in the nation are located in the South (ranked as Florida, Texas, NC and Alabama). The majority of these homes are titled as personal property. The decision to potentially eliminate personal property lending from the GSE duty to serve requirements fails to serve the manufactured housing market and the affordable housing and rural housing markets.

Production and purchase of manufactured homes in Alabama fell to its lowest level in history in 2009, which caused high unemployment rates, as high as 17% in the counties where the manufacturing plants are located. We need to get these workers off unemployment and back to building manufactured homes.. Every new manufactured home built in a plant creates one new job.

Another issue for the consumer and the industry is that families currently living in manufactured homes that are titled as personal property cannot sell their home to purchase a newer home, or sell to another family if financing as personal property is unavailable.

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In developing regulatory guidelines to implement duty to serve provisions outlined in the Housing and Economic Recovery 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 strongly believe this was not the legislative intent with respect to the major role personal property lending plays in the manufactured housing market.

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.

We appreciate the concerns raised by FHFA to ensure GSEs remain viable economic institutions and that adequate consumer protections are in place. Lenders of manufactured homes operate responsible programs for personal property lending following all laws and regulations such as Alabama's new title law; Truth in Lending and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Our lenders can provide GSE's and the taxpayer adequate protection from any loss.

The AMHA Board of Directors respectfully ask that FHFA amend this proposed rule to also include manufactured home loans secured as personal property towards the Enterprise duty to serve requirement.

Respectfully submitted,



Sherry Norris
Executive Director
AL Manufactured Housing Association