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Federal Housing Finance Agency
Fourth Floor
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Washington, DC 20552

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. Frontier Housing helps families buy manufactured homes of high quality and energy efficiency. We also prepare and support homebuyers helping them get good fix rate loans which are affordable for low-income borrowers. I call on the FHFA to ensure that the enterprises serve the low-income homeowners and communities that depend on this affordable housing choice. This affordable housing stock is particularly needed in rural areas.

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.

I do hope, however, that the FHFA will actively foster meaningful enterprise activity that promotes conventional lending on all segments of the manufactured housing market.

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 provides for both lender and consumer protections.

There is a clear distinction between investor-owned and resident-owned communities, in particular as they relate to duty to serve. Resident ownership offers homeowners basic rights and opportunities that are in the spirit of duty to serve, such as security, the opportunity to build assets and control over ones homestead. Studies have shown that all things being equal, homes in resident-owned communities increase in value at a higher rate compared to homes in investor-owned communities. I join CFED in encouraging the FHFA to facilitate and promote enterprise activity within the resident-owned community multi-family market.

Promoting resident ownership in manufactured home communities addresses many consumer protection issues as well as lender security concerns. The security and benefits of resident-owned communities to both homeowners and lenders make them more desirable to homeowners, lenders and the secondary mortgage market. Another critical factor in promoting resident ownership of communities is the availability of community-based technical assistance providers to help organize and prepare community residents with the legal, financial and organizing tools needed to purchase their community. Fostering the capacity of such organizations creates a more viable market for conventional lenders and the enterprises.

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,

Stacey Epperson

Stacey Epperson (Jul 20, 2010)

Stacey Epperson
Frontier Housing National, LLC
President