

From: David Lentz [DavidLentz@greencourtepartners.com]
Sent: Thursday, July 22, 2010 9:40 AM
To: !FHFA REG-COMMENTS
Subject: Americand Land Lease Comments - FHFA RIN 2590-AA27

Attachments: American Land Lease Comment Letter on FHFA RIN 2590-AA27.pdf

Dear Mr. Pollard:

Please find attached a comment letter from American Land Lease, Inc. on RIN 2590-AA27 "Enterprise Duty to Serve Underserved Markets."

As noted in our letter, we are an owner/operator of manufactured home land-lease communities, but the proposed rule will also have a significant effect on our residents by severely limiting the availability of financing for resale transactions. Accordingly, we also asked our residents to weigh in on this issue, and we have obtained over 1,100 signed letters from individuals/families plus another 7 signed letters from community homeowners' associations representing another 2,500+ residents. We have been attempting to forward these letters to you from various locations in the 10 states in which we operate, but your IT staff has apparently blocked our domain, presumably due to the volume of traffic we're generating. We are farming the letters out and asking people to forward them today from personal email addresses (and I'm even sending this from my email account with our parent company), but I wanted to point this out to you as an indicator of how important this issue is to our residents - the real individuals and families who will be so impacted by FHFA's decision on this issue.

Thank you for your consideration.

Sincerely,

David B. Lentz

President and Chief Executive Officer

American Land Lease, Inc.



July 21, 21010

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:

On behalf of American Land Lease, Inc., which directly or through affiliates owns and operates 54 manufactured home land-lease communities with approximately 17,000 home sites that provide affordable housing to approximately 29,000 people, 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.

The initial rules developed by the Federal Housing Finance Agency (FHFA) to implement the “duty to serve” provisions outlined in the Housing and Economic Recovery Act of 2008 (HERA; P.L. 110-289) do not fully reflect congressional intent for 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 the 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 GSEs’ duty to serve the manufactured housing market. We feel this decision misinterprets both legislative intent and industry realities due 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 to finance their home purchase. Therefore, FHFA's initial decision to exclude personal property lending considerations from the GSEs' duty to serve obligation potentially prevents more than half the market from selling their homes 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, and many who have been able to sell have been forced to sell at severely impaired prices due to the lack of financing available in this market.

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

While we appreciate the concerns raised by FHFA to ensure that the GSEs remain economically viable 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 the personal property lending concerns identified by FHFA in the proposed rule in a substantive and productive manner.

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

For these reasons, FHFA is urged to amend its proposed rule to also consider manufactured home loans secured as personal property towards the GSEs' duty to serve requirement.

Thank you for your consideration of these comments.

Sincerely,



David B. Lentz
President and Chief Executive Officer