

From: Billy Leary Work [billy@e-estatehomes.com]
Sent: Thursday, July 22, 2010 6:53 PM
To: !FHFA REG-COMMENTS
Subject: RIN 2590-AA27

Dear FHFA Staffer,

As a small business owner involved in manufactured housing, I am writing to seek your assistance in serving the more than 18 million Americans served by the manufactured housing industry and respectfully ask that:

1. The Federal Housing Finance Agency (FHFA) amend their recently released Enterprise Duty to Serve Underserved Markets proposed rule (75 FR32099) to include personal property lending in the duty government-sponsored enterprises (GSEs) have to serve the manufactured housing market

The manufactured housing industry serves a vital segment of the housing market. Since 1989, it 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
- 73 percent of manufactured households earn less than \$50,000
- 45 percent of manufactured housing borrowers earn 80 percent or less of Area Median Income (AMI)

Originally established to enhance the availability, efficiency and transparency of capital in targeted, economic sectors, including housing, and to reduce the cost of credit in these sectors, government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac have had done little to support the manufactured housing market. In fact, less than one percent of their business comes from manufactured housing.

In order to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing, Congress (through HERA) specifically established a duty for the GSEs to serve underserved markets, including manufactured housing.

This service included developing loan products, flexible underwriting guidelines and a secondary market for mortgages. Congress further specified that FHFA, in assessing GSE fulfillment of this duty to serve obligation, consider loans secured by both real and personal property.

In its proposed rule, FHFA—contrary to Congressional intent—has indicated it will only consider manufactured homes loans secured by real property for purposes of evaluating whether GSE are conforming to their duty to serve the manufactured housing market requirement.

More than 60 percent of manufactured home owners have relied on a personal property loan in order to finance their home purchase. It is exceptionally difficult to faithfully serve any market if more than half of it is excluded from consideration.

I would also add that manufactured housing, being a federally regulated industry, should not be harmed by the actions or inactions of its regulators and the various departments of the federal government.

It is for these reason I urge the FHFA:

- 1) amend the proposed rule to consider personal property lending in GSE's duty to serve manufactured housing.

Thank you for your consideration of this request.

Sincerely,