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

RE: RIN 2590-AA27

Dear Mr. Pollard:

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

Bailey Park Affordable Housing Corporation is involved in preserving manufactured housing by promoting resident/homeowner purchases of manufactured home parks. In such purchases, the residents gain ownership of the land as members/shareholders of the resident non-profit corporation which owns fee simple title to the land. Resident/homeowners who become members of the corporation get long-term leases (99-years) to the lots on which their manufactured homes are located. However, those homes remain personal property. Over time, the market recognizes the value of a manufactured home located in a resident-owned park and such homes become appreciating assets. The long-term success of resident-owned manufactured home communities necessarily depends on a robust lending market that enables prospective homeowners to finance the purchase of manufactured homes in the resident-owned manufactured home parks.

The Housing and Economic Recovery Act of 2008 (HERA: P.L 110-289) requires government-sponsored enterprises (GSEs) to serve very low to moderate income families by developing loan products, flexible underwriting guidelines and a secondary market for mortgages for manufactured housing and affordable housing. By developing loan products to finance manufactured homes which remain chattel in manufactured home parks (whether the parks are owned by residents or not), the GSEs will meet Congress's goal to serve many millions of very low to moderate income families who own or desire to own manufactured homes.

I understand that the Federal Housing Finance Agency (FHFA) has issued draft rules regarding the GSEs' duty to serve the manufactured housing market. I further understand that the proposed rules only consider manufactured home loans secured by real property for purposes of the GSEs' duty to serve the manufactured housing market requirement. This is exceedingly short-sighted for two rather obvious reasons. First, the bulk of manufactured housing is located in manufactured home parks. The proposed rules immediately cut out the majority of manufactured homeowners from benefitting from new loan products, flexible underwriting and secondary markets which Congress intended to create for them. Second, manufactured homes affixed to real property upon elimination of the personal property title are typically not owned by very low to low income families. They cannot afford the additional cost of buying the land. Typically such homes are located on rural acreages. The GSEs will not be able to serve very low and low income families living or desiring to live in manufactured housing unless the proposed rules also cover manufactured homes in manufactured home communities. The proposed rule simply ignores Congress's clearly-expressed intent that the rules created by FHFA to implement HERA's goals to consider loans secured by both real and personal property.

I understand that the FHFA is concerned that personal property manufactured home loans may jeopardize the economic viability of GSEs. I can appreciate this concern given abuses in personal property manufactured home lending about a decade ago. However, those abuses were then repeated by the general housing mortgage market, leading to today's recession. What that illustrates is rather obvious and simple: The past "problems" with chattel manufactured home lending are the same problems experienced in any type of mortgage/housing lending. There are few unique issues to personal property manufactured home lending. If the FHFA and others in the mortgage market can figure out how to minimize risks in the general mortgage market, then it can figure out to minimize risks in the chattel manufactured home loan market. The risks are essentially the same; the solutions are essentially the same.

I realize you will receive thousands of letters on this topic. I do not know if someone will even actually read my letter. If so, let me add one other thought: Special consideration should be given to manufactured homes in resident-owned manufactured home parks. Those homes appreciate in value. Such homes benefit from long-term proprietary leases to the lots on which they are located. Thus, they should be viewed to have the same advantages that manufactured homes have when incorporated into the fee simple title of the land by elimination of the personal property title. I would suggest that special rules be considered to facilitate loans that are secured by the manufactured home in a resident-owned community <u>and</u> the long-term lease appurtenant to the lot on which the home is located so that the homeowner can finance <u>both</u> the purchase of the home and the membership in the resident-owned corporation. I would be most willing to answer any questions you have about that concept.

Many manufactured home parks have closed in many states in recent years because of redevelopment pressures. It is my humble opinion that the best way to preserve manufactured housing as a vital part of our affordable housing stock is to promote resident purchases of parks. A resident purchase stabilizes the cost of living in a park, eliminates forever the threat of park closure, gives residents the pride of ownership of the community (resulting in better maintenance of both homes and the park), and turns the manufactured homes into appreciating assets. I have seen this all happen several times when residents purchase their parks. Here is what excites me the most—because resident park ownership turns a manufactured home into an appreciating asset, it is a process which creates wealth—not necessarily a lot of wealth, but nonetheless real wealth—for low income families that don't otherwise have much wealth. However, this can all work to the benefit of low and moderate income families living in manufactured housing or desiring to live in manufactured housing if there is a robust market enabling the average worker to finance the purchase of a manufactured home in a manufactured home park.

Again, I urge FHFA to amend its proposed rules to include manufactured home loans secured as personal property.

Thank you very much.

Very truly yours,

Anthonie H. Woller

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Sent by email to regcomments@fhfa.gov
Original sent by U.S. Mail