



HOMETOWN AMERICA  
C O M M U N I T I E S.

July 16, 2010

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:

My name is Greg O'Berry, and I am the President and Chief Operating Officer of Hometown America, the owner and manager of 126 manufactured home communities in twenty states across the United States. Our communities contain over 46,000 owner occupied manufactured homes that are home to over 100,000 residents.

**Please consider this letter as a 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 by the FHFA.**

In developing regulatory guidelines to implement duty to serve provisions outlined in the Housing and Economic Reform 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 feel this decision misinterprets legislative intent as well as industry realities with respect 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 in order to finance their home purchase. FHFA's initial decision to exclude personal property lending considerations from the GSE's duty to serve obligation effectively eliminates more than half the market that relies on manufactured housing.

Access to a personal property loan is already very difficult to obtain, so participation by the GSEs in this market is critical not only to ensure opportunities for homeownership, but also to provide financing for buyers when existing homeowners need to sell their homes. Market values for resale manufactured homes are severely depressed today because of the lack of available financing, and many families like mine have been hurt as a result. 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 available financing. **Denying manufactured homeowners in land lease communities financing opportunities is unfair and can severely reduce the value of their homes. It can destroy equity many have worked so hard to build.**

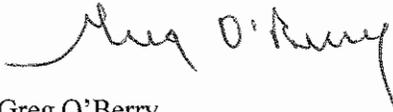
While we appreciate the concerns raised by FHFA to ensure GSEs remain viable economic institutions and that adequate consumer protections are in place. FHFA and the GSEs have an obligation to serve manufactured housing and the 18 million Americans that currently reside in manufactured homes. The manufactured housing industry stands ready to address personal property lending issues identified by FHFA in the proposed rule in a substantive and productive manner.

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

**It is for these reasons FHFA is urged to amend its proposed rule to also consider manufactured home loans secured as personal property towards the Enterprise duty to serve requirement.**

Thank you for your consideration of these comments.

Sincerely,



Greg O'Berry  
President and Chief Operating Officer  
Hometown America