

**From:** [Andy Chen](#)  
**To:** [#FHFA REG-COMMENTS](#)  
**Subject:** [EXT] Comments to 2nd mortgage proposa  
**Date:** Thursday, May 23, 2024 1:05:15 AM

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Dear FHFA,

Thank you for considering the 2nd mortgage proposal. I am so excited about using the 2nd position mortgage and I strongly believe that if it is designed right, it will absolutely help the homeowner building more houses.

I would like to provide some feedback.

In my market, it would cost me 200~300k to build an ADU. Because I have a multi family property, I am allowed to build 2 or even more units based on the ADU regulation. Of course, it would cost more to build more units. In my case, I am building 4 units. I would need a max loan amount of \$1.5M for 4 units. If I want to build more, I would then need an even higher loan amount.

My suggestion is that the max loan amount should be proportional to the number of units of ADUs and it should not be limited to the comps which is frequently used by the appraiser and it can be hard for the appraiser to find comps when I am building more ADUs.

I would also suggest not to limit the 2nd mortgage to Freddie Mac.

Thank you again for your working on this product and I am sure it is going to help people build more houses.

Thanks  
Andy