

**From:** Mike Quam [mikequam@rocketmail.com]  
**Sent:** Tuesday, July 20, 2010 4:41 PM  
**To:** !FHFA REG-COMMENTS  
**Subject:** RIN 2590-AA27  
**Attachments:** FHFA\_letter-to-house.doc; FHFA\_letter-to-senate.doc; FHFA\_letter-to-senate\_2.doc

7/20/2010

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:

**As someone employed in the manufactured housing industry 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.**

In developing regulatory guidelines to implement duty to serve provisions outlined in the Housing and Economic Recovery 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. Therefore, 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 to

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efficiently sell their homes at any price 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.

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

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 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,

Mike Quam

Housing Consultant

Capital First Reality - Sunset Village

mikequam@rocketmail.com

July 20th, 2010

The Honorable Representative Kirk  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Kirk:

**As someone employed in the manufactured housing industry, I am writing to seek your assistance in serving the more than 18 million Americans served by the manufactured housing industry and respectfully ask you to contact:**

1. The Federal Housing Finance Agency (FHFA) and request they 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
2. Leaders of the **House Financial Services Committee** and ask they specifically request FHFA amend its proposed rule to consider personal property lending in the GSE duty to serve manufactured housing requirement that was outlined by Congress in the Housing and Economic Recovery Act of 2008 (HERA; P.L. 110-289)

I urge you: 1) contact FHFA and request they amend their proposed rule to consider personal property lending in GSE's duty to serve manufactured housing; and 2) contact authorization committee leaders and ask they request FHFA amend its proposed rule to include personal property lending in the duty to serve requirements Congress has outlined for GSEs.

Thank you for your consideration of this request.

Sincerely,

Mike Quam  
Housing Consultant  
Capital First Reality – Sunset Village  
847-724-7711  
[mikequam@rocketmail.com](mailto:mikequam@rocketmail.com)

Back Ground as needed

(provided by Tony Kovach of [www.MHMarketingSalesManagement.com](http://www.MHMarketingSalesManagement.com)):

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.

July 20<sup>th</sup> 2010

The Honorable Senator Burris  
United States Senate  
Washington, DC 20510

Dear Senator Burris:

**As someone employed in the manufactured housing industry, I am writing to seek your assistance in serving the more than 18 million Americans served by the manufactured housing industry and respectfully ask you contact:**

1. The Federal Housing Finance Agency (FHFA) and request they 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
2. Leaders of the **Senate Banking Committee** and ask they specifically request FHFA amend its proposed rule to consider personal property lending in the GSE duty to serve manufactured housing requirement that was outlined by Congress in the Housing and Economic Recovery Act of 2008 (HERA; P.L. 110-289)

I urge you: 1) contact FHFA and request they amend their proposed rule to consider personal property lending in GSE's duty to serve manufactured housing; and 2) contact authorization committee leaders and ask they request FHFA amend its proposed rule to include personal property lending in the duty to serve requirements Congress has outlined for GSEs.

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July 20<sup>th</sup> 2010

The Honorable Senator Durbin  
United States Senate  
Washington, DC 20510

Dear Senator Durbin:

**As someone employed in the manufactured housing industry, I am writing to seek your assistance in serving the more than 18 million Americans served by the manufactured housing industry and respectfully ask you contact:**

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I urge you: 1) contact FHFA and request they amend their proposed rule to consider personal property lending in GSE's duty to serve manufactured housing; and 2) contact authorization committee leaders and ask they request FHFA amend its proposed rule to include personal property lending in the duty to serve requirements Congress has outlined for GSEs.

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