

From: Andrea Reichman [AREichman@omha-usa.org]

Sent: Thursday, July 08, 2010 4:06 PM

To: !FHFA REG-COMMENTS

Cc: jboehlert@mfgghome.org; Tim Williams

Subject: "RIN 2590-AA27"

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:

The Ohio Manufactured Housing Association (OMHA) is the sole industry organization that serves all of Ohio as a non-profit trade association. We represent all segments of the manufactured housing industry. Manufactured homes account for approximately 10% of all new housing starts in Ohio annually. For many low and moderate income citizens as well as senior citizens on fixed incomes, manufactured homeownership represents one of the very few opportunities for affordable homeownership without any government subsidies.

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, governments-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac have had little involvement in financing manufactured housing.

Since 1989, manufactured housing accounted for 21 percent of all new homes sold in the United States and in 2009 manufactured housing accounted for:

- 43 percent of all new homes sales under \$150,000
- 23 percent of all new homes sales under \$200,000

Despite strong industry loan performance and overall low loan losses, less than one percent of GSE's business comes from manufactured housing. As part of the Housing and Economic Recovery Act of 2008 (HERA; P.L 110-289), GSEs are directed to "develop loan products and flexible underwriting guidelines to facilitate a secondary market for manufactured housing."

In order to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing, HERA specifically establishes a duty for the GSEs to serve underserved markets, including manufactured housing. In implementing this "duty to serve" provision, the Federal Home Finance Agency (FHFA) was allowed consider loans secured by both real and personal property.

On June 7, FHFA released a proposed rule (75 FR 32099) that refuses to include personal property lending in its duty to serve the manufactured housing market. Given the prevalence of personal property lending, FHFA's proposed rule essentially ignores the needs of both the manufactured housing industry and consumer.

By refusing to require GSE involvement in this market, FHFA continues to allow GSEs continued discrimination of manufactured housing and marginalization of buyers that rely on manufactured housing.

OMHA Position

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OMHA opposes FHFA's proposed rule that refuses to include personal property lending in its duty to serve manufactured housing and urges FHFA and Congress to expand GSE activity in this area.

- GSEs cannot fulfill their “duty to serve” the manufactured housing by ignoring 21 percent of the total housing market and the 60 percent of manufactured homebuyers who are in desperate need of this source of affordable housing.
- Industry lenders have been operating responsible and profitable programs for personal property lending, however they have been shut out from a secondary market due to GSE policies. Industry lenders can and will give the GSEs and the American taxpayer adequate protection from any loss.

OMHA, appreciates the opportunity to comment on the GSE’s “Duty to Serve” provisions and urge you to **amend its proposed rule to also consider manufactured home loans secured as personal property towards the Enterprise duty to serve requirement.**

Thanks in advance for your help. Your consideration is greatly appreciated and will assist the manufactured home industry to continue to provide citizens of modest income the opportunity for homeownership.

Sincerely,



Tim Williams
Executive Director

Andrea Reichman

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