

3.17.2016 A.D.

Mr. Alfred Pollard  
General Counsel  
Attention: Comments/RIN 2590-AA27  
Federal Housing Finance Agency  
Eighth Floor  
400 7th Street, S.W.  
Washington, D.C. 20219

Re: GSEs Duty to Serve Underserved Markets - Comments/RIN 2590-AA27

Dear Mr. Pollard,

This issue seems so simple. America faces an affordable housing crisis, and manufactured homes represent the lowest cost option. Who says? The GAO's 2014 report and Fannie Mae's respective monthly payments comparison charts below. As the MH industry's runaway leading trade publisher for consumers (MHLivingNews.com) as well as professionals (MHProNews.com), we appreciate the opportunity to address this issue in a common sense way.

1) When a valid law is enacted, it is incumbent that those it applies to comply. That should hold for the GSEs, or anyone/anything else. That should end the discussion.

2) Some 2 of 3 manufactured homes that are and have been for some time financed with personal property (home only, chattel) loans. That was true when HERA 2008 was enacted.

3) As MHARR's letter stated in part: "DTS, accordingly, is a mandatory directive to the Enterprises to, among other things: "develop loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on manufactured homes for very low, low and moderate-income families" (see, 12 U.S.C. 4565(a)). Moreover, to ensure that the term "mortgages" is not misconstrued to limit the scope of DTS to manufactured home real estate "mortgage" loans, the same section of HERA expressly provides that "in determining whether an Enterprise has complied" with DTS, FHFA -- as the Enterprises' regulator -- "may consider loans secured by both real and personal property" (i.e., manufactured home-only "chattel loans") (see, 12 U.S.C. 4565(d)(3))."

4) Let's be candid. The GSEs are resisting, likely due to past performance of manufactured home loans. 15 years (+/-) is like an eternity ago for manufactured housing. Loan performance for MH lenders clearly works, please see our video interview with Triad Financial Services Chairman and CEO Don Glisson Jr, who's states they work with dozens of community banks and credit unions originating and servicing loans that perform.

<http://www.mhmarketingsalesmanagement.com/home/featured-articles/march-2016/138-general-manufactured-housing-industry-topics/11130-community-banks-credit-unions-and-mh-community-manufactured-home-personal-property-chattel-lending-don-glisson-jr-triad-financial-services-inside-mh-video->

If Triad and their associated lenders can do it, when SACU, 21st, VMF and others in MH lending do successfully too, then the GSEs can too.

5) The concern for a lender is often the exit strategy when a repossession on a personal property loan occurs. For years, I personally worked with financial service firms that made MH loans to enhance resale turnaround, and to control losses.

6) The financial bloodbath of the 2008 mortgage/housing meltdown demonstrated for the GSEs and all that conventional housing losses dwarfed those on manufactured homes.

7) What the GSEs could do is implement strategies that would limit and control losses, allow home owners wishing to sell an either path, and create a series of mutual victories for potential buyers, sellers, lenders and MH businesses.

8) When manufactured homes are sold in a land lease, there are already documents/ agreements available that could be a template that protects consumers, lenders and businesses. The Florida Manufactured Housing Association (FMHA) has had letters to you from their members that compliment and underscore this point.

9) Federal law today often forces people to stay in rental housing, when manufactured homes are less costly, as Julian Castro, Senator Bob Corker (R-TN) and CFPB Director largely agreed, as evidenced by this video linked below. While that is focused on S 682/HR 650 (The Preserving Access to Manufactured Housing Act, the principles apply to this issue too.

<http://manufacturedhomelivingnews.com/noise-and-smoke-vs-facts-about-manufactured-homes-and-lending/>

Note that Sam Landy, President and CEO of UMH Properties, says their loans performed, though they used a low rate with 10% down to people who often had credit bumps.

<http://manufacturedhomelivingnews.com/sam-landy-umh-ceo-on-dodd-frank-and-the-preserving-access-to-manufactured-housing-act-s-682hr-650/>

Again, while he was addressing HR/650/S 682, the principles of loan performance applies to the DTS issue concerns.

10) The GSEs are making loans on manufactured home communities, that's fine, but has some irony (and should not be counted towards their DTS obligation). What makes loans on MH Communities perform so well is that the homes - and loans - in those communities overall do well.

11) Please note our view is that any minutes available on any meeting about the DTS with consumer or industry groups should be made public.

12) Any objection that the GSEs could raise has a common-sense solution or example as to why it should not be a reason to allow the Enterprises to not make chattel loans.

Millions of manufactured home owners and potential buyers could benefit from the GSEs making chattel and mortgage loans on manufactured homes, and that would be good for

businesses and create higher paying jobs. The bottom line is this is good policy, and it is the law.

Thank you, respectfully submitted.

Via email...

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