

March 17, 2016

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA27  
Federal Housing Finance Agency  
Eighth Floor, 400 7th Street SW  
Washington, DC 20219

**Re: Proposed Rulemaking on Enterprise Duty to Serve Underserved Markets  
Comments/RIN 2590-AA27**

To Whom It May Concern:

On behalf of the 1.453 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on Federal Housing Finance Agency's (FHFA) Proposed Rulemaking on Enterprise Duty to Serve Underserved Markets (Proposed Rule).

FHFA is seeking comments on the Proposed Rule that provides Duty to Serve credit for eligible Enterprise activities that facilitate: a secondary market for mortgages related to Manufactured homes titled as real property; blanket loans for certain categories of manufactured housing communities; preserving the affordability of housing for renters and homebuyers; and housing in rural markets. The proposal also establishes a method for evaluating and rating the Enterprises' compliance with the Duty to Serve each underserved market.

While we appreciate the FHFA moving forward with the proposed rulemaking and encourage them to do so, we are concerned that the roles of Fannie Mae and Freddie Mac (Enterprises) are likely to be revised sometime in the near future. As such, it provides a bit of a quandary to articulate the best public policy that will lend itself to a robust and stable secondary market that will be supportive of lenders in the market and assist in meeting the Enterprises' statutory directives.

As a general statement, HCUA believes that the best approach for FHFA in its oversight role of the Enterprises with respect to Affordable Housing is to enable and maximize the purchasing and guaranteeing of private market loans. A vibrant and active secondary market is the best way to encourage our member credit unions to be involved in the

construction and rehabilitation of multifamily rental properties. While we acknowledge the Enterprises are subject to statutory requirements to serve underserved markets, these objectives are not inconsistent with allowing private participation.

Concerning the establishment of a secondary market for Manufactured Housing, HCUA requests the FHFA to encourage the Enterprises to treat loans for the purchase of manufactured housing as residential mortgage transactions. We note that the Truth in Lending Act's Regulation Z and other consumer regulations govern these loans and provide meaningful protections for the consumer. Again, the intent is to make it easier for private lenders to participate in this market. Further, we encourage the FHFA to direct the Enterprises' work with the Consumer Financial Protection Bureau (CFPB) to resolve the "dual escrow" situation where two loans (one on the underlying property and one on the manufactured home) may have dual escrow accounts for the payment of real estate taxes. This situation exists in certain states. Clarification of this issue by the CFPB would further facilitate the provision of manufactured housing loans by lenders.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

Don Cohenour  
Marla Marsh