July 10, 2017

The Honorable Melvin Watt
Director
Federal Housing Finance Agency
400 7th Street S.W.
Washington, DC 20024

RE: Comment on Fannie Mae and Freddie Mac Proposed Underserved Markets Plans for Duty to Serve

Dear Director Watt:

Thank you for the opportunity to comment on Fannie Mae's and Freddie Mac's proposed Underserved Markets Plans pursuant to the final Duty to Serve rule of the Housing and Economic Recovery Act of 2008.

The National Community Stabilization Trust (NCST) is a non-profit, non-partisan organization that works to restore vacant and abandoned properties to productive use and to protect neighborhoods from blight. Our programs facilitate the rehabilitation of vacant but structurally sound homes, enable safe, targeted demolition when needed, and support creative and productive re-use of vacant land. Established in 2008, NCST offers a unique blend of policy expertise and on-the-ground experience, and since our founding, we have worked with local partners across the nation to address the needs of more than 23,000 properties.

NCST supports neighborhoods and fights blight through our First Look REO acquisition program, which provides local affordable housing and community development organizations with the opportunity to obtain REO properties in their target neighborhoods before the properties are marketed to the public and investors. In many cases, REO properties can be acquired at discounts that help make it financially feasible for nonprofit buyers to rehabilitate these properties as affordable homeownership or rental.

A flagship project of NCST's REO acquisition program is the Neighborhood Stabilization Initiative (NSI), which is a partnership with Fannie Mae and Freddie Mac to offer their REO properties through a special First Look program in 18 strategic markets around the country. Through NSI, NCST has become familiar with the Enterprises' REO operations and activities in distressed markets.

Additionally, through the ReClaim Project, a joint initiative with the Housing Partnership Network, NCST manages a portfolio of highly distressed mortgages to resolve delinquencies, assist homeowners, and prepare vacant properties for productive disposition. Like our work with REO properties, our experience with nonperforming loans has informed our understanding of and prescriptions for distressed housing markets.

The mission of Center for Community Progress (CCP or Community Progress) is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that public, private, and community leaders have the knowledge and capacity to create and sustain change. It also works to ensure that all communities have the policies, tools, and resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties.

Because of our organizations' unique expertise in neighborhood stabilization and vacant single-family rehabilitation, the bulk of our comments about the Enterprises' proposed underserved markets plans focus on the Regulatory Activity to support financing of purchase or rehabilitation of certain distressed properties (henceforth referred to as the Neighborhood Stabilization Regulatory Activity).[1]

Most importantly, we strongly recommend that both Enterprises take a far more robust approach to this Activity. Freddie Mac does not include the activity at all. Fannie Mae does outline an approach to addressing this problem, but it aims too low, with anemic loan purchase goals and an approach without sufficiently innovative ideas.

As part of their efforts under the Neighborhood Stabilization Regulatory Activity, both Enterprises should prioritize helping to increase access to capital for nonprofits that acquire and rehabilitate distressed properties. To this end, we recommend the Enterprises undertake the following initiatives:

- Develop a renovation product specifically geared to community development nonprofits and other stabilization-oriented developers.

- Invest in CDFIs that finance nonprofit acquisition and rehab of distressed properties.

- Pilot new approaches to encourage lenders to make small-balance mortgages.

- Finance affordable, tenant-friendly, single-family rental in both rural areas and distressed neighborhoods in urban or suburban locations.

[1] Final Duty to Serve Rule, 12 CFR Part 1282, § 1282.34(d)(7)

NCST and CCP stand ready to partner with both Enterprises to assist them in conducting outreach and implementing new products and approaches in those neighborhoods whose housing markets remain weak.

I. The Enterprises should include a robust, ambitious and creative approach to the Neighborhood Stabilization Regulatory Activity in their Plans.

A. Freddie Mac should include the Neighborhood Stabilization Regulatory Activity in its Duty to Serve Plan.

Our organizations are deeply disappointed by Freddie Mac's failure to include the Neighborhood Stabilization Regulatory Activity in its Duty to Serve plan. While we appreciate that Freddie Mac has proposed support for and investments in Shared Equity Programs in its Plan to serve the affordable housing preservation market,[2] Neighborhood Stabilization and Choice Neighborhoods Initiative support are the only Regulatory Activities in the Affordable Housing Preservation area that Freddie has declined to include. The omission of the Neighborhood Stabilization Regulatory Activity is particularly mystifying given what an excellent partner Freddie Mac has been in the Neighborhood Stabilization Initiative partnership.

Unfortunately, this choice leaves distressed, non-rural neighborhoods with significant numbers of single-family, site-built homes out of the purview of Duty to Serve. By failing to help stabilize neighborhoods with single-family inventory that could potentially provide either affordable homeownership or naturally occurring, safe and affordable rental, Freddie Mac has taken a step that may inadvertently contribute to the continued decline of these areas, a decline that disproportionately affects lower-income neighborhoods and communities of color.

While it is true that most distressed REO properties are eventually acquired by a buyer, the vast majority of buyers in distressed neighborhoods will be investors from outside the community (or even from outside the United States). Many will do nothing to rehabilitate the properties, while others will do a quick paint-and-carpet job to flip the house, often to yet another investor. Without the involvement of mission-oriented entities dedicated to local investment, properties are more likely to end up as decrepit slum rentals than to go to a new owner-occupant or become safe, affordable, long-term rental housing.

[2] Freddie Mac Duty to Serve Proposed Plan ("Freddie Mac Plan"), pp. 99-103

NCST and CCP are confident that Freddie Mac has the same ability as Fannie Mae to help provide access to capital for mission-focused developers who can help stabilize neighborhoods, as well as to come up with creative approaches to small balance loan lending and single-family rental (indeed, it is the only Enterprise that included an explicit discussion of single-family rental in its Plan, and it is the only one whose early experiments in single family rental aim at socially responsible goals).

Finally, if Freddie Mac does not ultimately choose to include this Regulatory Activity, we strongly recommend providing an explanation for the omission. While we understand the explanation is not mandatory under the specific requirements of the Rule, we believe it is advisable given the nature of the communities being left out.

B. Fannie Mae should develop a more robust, ambitious and creative approach to the Neighborhood Stabilization Regulatory Activity.

NCST and CCP are disappointed by the lack of ambition shown by the Enterprises in their Underserved Markets Plans with respect to distressed properties, as well as by the lack of creativity in designing new approaches.

First, the goals and baselines are tepid at best. Fannie Mae's proposed activity to increase the purchase of HomeStyle Renovation (HSR) loans contains little concrete data as to the current scale of HSR products in the market.[3] Fannie merely provides the number of HSR loans originated for the purpose of purchasing Fannie Mae REO property in 2016, an underwhelming total of 119 nationwide.[4] No other data is provided, no other prior years are examined, yet this metric is used to set Fannie's baseline for the HSR purchase activity for which it expects to receive Duty to Serve credit.

While this lack of transparency as to the total number of HSR products in the marketplace – guarded by Fannie Mae as a proprietary trade secret – is in and of itself problematic, worse are the meager annual objectives above this baseline: 150-200 HSR purchases in 2018, 200-250 in 2019, and 250-300 in 2020.[5] Neither the letter nor the spirit of Duty to Serve are met by Fannie

[3] Fannie Mae Duty to Serve Underserved Markets Plan ("Fannie Mae Plan"), p. 111
[4] *Id.*
[5] *Id.*

Mae purchasing 31 more HSR loans nationwide in 2018 than it did in 2016. FHFA should require more of the Enterprises.

By underinflating baselines and setting low bars, the Enterprises very well could achieve high marks on their Duty to Serve scorecards without achieving any meaningful impact on the underserved markets. Consequently, our organizations cannot confidently support Fannie Mae's plan to double down on the HSR product, as the small numbers would not likely have a discernible impact on the actual need for acquisition-rehabilitation financing.

Second, Fannie Mae proposes nothing in this plan that they have not already previously attempted. While we agree that there is room to improve the HSR mortgage for homeowners, most stakeholders in distressed housing markets that could potentially provide affordable housing for LMI buyers understand that those buyers are unlikely to avail themselves of this type of financing. LMI families, especially first-time homebuyers, are not likely to successfully obtain complicated, rare products, and unless they have previous construction/rehab experience, these families are not often in the position to effectively rehabilitate a distressed home. It is critical that any effort around renovation products include a product aimed at community development organizations and other nonprofit or for-profit developers working in these areas.

Beyond that, Fannie Mae should be experimenting with numerous other types of activities beyond doubling down on an existing yet underperforming product. Ideas could include investing in CDFIs, purchasing more low-balance mortgages, and supporting affordable single-family rental. We discuss these recommendations further below.

II. The Enterprises should support Neighborhood Stabilization by increasing access to capital for nonprofits and others that acquire and rehabilitate distressed properties.

Critical to preservation of affordable housing in struggling neighborhoods is increasing access to competitive financing for nonprofits seeking to acquire and rehabilitate distressed properties. In many markets, nonprofits struggle to compete with for-profit cash investors to purchase these properties. With limited access to funding, especially to equity capital and to reasonably priced debt, responsible, community-minded nonprofit organizations lose out on these properties to private investors and developers looking to maximize rental incomes while putting as little as possible into rehab and maintenance or to flip properties as soon as values rise.

A. Develop a renovation product specifically geared to community development nonprofits and other stabilization-oriented developers.

Fannie Mae's plan proposes Duty to Serve credit for activities that support, modify and amplify its existing HomeStyle Renovation loan product (HSR). As noted above, our organizations remain skeptical that adding a few additional HSR mortgages for individual homeowners will move the needle for distressed communities. We strongly believe that creating more financing opportunities for mission-oriented developers to do acquisition and rehabilitation can make a significant difference for neighborhoods.

Although on paper HSR is purportedly available to nonprofits, the current HSR product is neither designed for, available to, nor used by nonprofit organizations dealing with the bulk of these properties in distressed communities. To understand more, NCST performed targeted outreach to its network of nonprofit and mission-driven for-profit buyers to understand their experiences with Fannie Mae's HSR. Of the 24 diverse organizations around the nation that we contacted, not a single one of our partners had ever used or attempted to use HSR financing to acquire a property. Indeed, 18 of them had never even heard of the HSR product (a problem that goes beyond nonprofit financing, since many of these organizations also help end-users obtain access to credit).

NCST also spoke with loan officers in the South Florida and Chicago markets who specialized in acquisition and rehab loan products. The lender in South Florida worked for Wells Fargo, N.A., in a lending division dedicated exclusively to providing this type of financing, for the past 8 years. However, Wells Fargo recently exited the HSR program altogether and has discontinued providing acquisition and rehab financing on the corporate level, nationwide. Both loan officers worked with the HSR product as well as with FHA's 203(k) rehab product. Neither of these loan officers had ever worked to secure HSR financing for a nonprofit, despite having originated hundreds of HSR loans for both owner-occupants and individual investors. In short, NCST and CCP feel confident that HSR is underused generally and used extremely rarely if at all by nonprofits.

To increase HSR's usage and impact, significant outreach and effort must be made to increase the number of participating financial institutions, raise awareness of the HSR product in the nonprofit sector, and – perhaps most important – create a separate HSR product designed specifically for nonprofit, local government and mission-driven investors. The single family acquisition-rehabilitation financing needs of a developer (nonprofit or for-profit) requires a separate HSR program with terms and parameters consistent with how single family acquisition and rehabilitation are actually done by developers, regardless of whether the goal is resale to an owner-occupant or short- or long-term affordable rental.

Structurally, the HSR product does not work for nonprofit developers. First, the rehabilitation funds associated with the loan get held by the lender in an escrow account from which disbursements can only be made at certain intervals, after specific phases of the work are completed and documentation is submitted to the lender. This approach can be well suited for multifamily developments with large construction budgets, but inappropriate for single family rehabilitation's very small budgets. The added administrative layer of the lender approving rehab contracts, obtaining appraisals, and handling draws from the escrow account to pay contractors is problematic for nonprofits that already have rehab systems in place and that work on multiple properties simultaneously. Per-loan closing costs are also a problem for developers working in bulk on single-family properties.

Second, underwriting for nonprofits is totally different from underwriting individual homebuyers, and it is unclear whether the infrastructure is in place for nonprofit organizations to be manually underwritten. A few of our buyers informed us that they were told that personal guarantees from their board members would be required in order to access the HSR product, which is an approach that clearly will not work.

Third, both Fannie Mae and Freddie Mac currently cap the number of loans that any one borrower can hold, and those caps apply to community development nonprofits as well as to individual investors. For organizations working at scale, the caps can be a problem in rehabbing for-sale properties; for organizations looking to build long-term single-family rental portfolios in distressed neighborhoods, being limited to 6 or 10 HSR loans at any given time is simply unworkable.

While it is true that long-term mortgages are not the ideal financing for projects where a nonprofit is looking to acquire-rehab-resell quickly to an owner-occupant, a properly tailored product could make a significant difference for those who cannot obtain appropriate short-term financing. Plus, property-by-property mortgages tailored to meet the needs of nonprofit developers do make sense for single-family acquisition-rehab-long-term rental projects. Some of

NCST's community buyers already hold rental portfolios, and our research indicates that more would like to (see section D below regarding single-family rental).

To address this need, NCST and CCP suggest Fannie Mae explore creating a "HomeStyle Renovation-NS ("Neighborhood Stabilization") product. This product could be designed to meet the acquisition-rehab needs of these categories of borrowers and to account for the different underwriting processes needed to evaluate these entities. NCST's buyers have already indicated that, for such a product to work it would need to have increased loan-to-value ratios, more flexible underwriting and fewer limitations on the number of loans.

NCST and CCP also recommend that Fannie Mae's Duty to Serve plans with respect to HSR spend less time on outreach and research and more on implementing changes to HSR and/or piloting new approaches. NCST has already been working with Fannie Mae to facilitate conference calls and meetings to discuss needs around single-family acquisition and rehab, and by the time the Duty to Serve plans are approved, Fannie Mae should have already done a fair amount of outreach and research.

B. Invest in CDFIs that finance nonprofit acquisition and rehab of distressed properties.

Even with the development of a separate HomeStyle-NS product, renovation mortgages cannot be the principal tool to meet the financing needs of the organizations that do the important, hard work of neighborhood stabilization in struggling communities. While property-by-property acquisition-rehab financing may make sense in some scenarios, the reality of community-focused development is that these organizations rely on lines of credit that are often only available through Community Development Financial Institutions (CDFIs).

NCST and CCP believe the Enterprises should resume investing in CDFIs (as well as other nonprofits, land banks and Housing Finance Agencies) that support mission-focused developers seeking to acquire, rehab and resell or rent vacant single-family properties. We are aware that the Enterprises have been restricted from investing in this manner while under conservatorship, but we think the time is right for FHFA not only to permit these critical investments, but to encourage them. Other financial institutions continue to back away from lending in distressed communities, and nonprofits seeking smaller credit facilities are struggling.

Direct investment by the Enterprises in CDFIs will more efficiently and effectively serve the affordable housing preservation market than almost any other initiative. Providing significantly increased access to low or market rate funding for nonprofit affordable housing developers will encourage scalable operations, which in turn would enable those developers to access trades or materials with negotiated terms and/or payments that would lower their total development cost.

In its detailed analysis of the distressed property marketplace, Fannie Mae's Plan acknowledges that mortgage loans are not widely used by the nonprofit community development sector:

> While mortgage loans are available, unless a property is held for rental, mortgage loans are not widely used because financing is typically needed for short periods while properties are acquired, repaired, and resold to qualifying homeowners. Most non-profits draw from a variety of funding sources. Although they typically leverage private capital, federal grant sources such as Community Development Block Grants and HOME Investment Partnership Program funds, State and local grant programs, and revolving property sales, many of these important resources are shrinking. And in general, obtaining financing and resources to purchase or rehabilitate distressed properties can be challenging as the small size of non-profits and their small balance sheet make traditional bank letters of credit and construction loans difficult and costly to obtain.[6]

Despite this analysis, Fannie Mae's proposed four activities to address the purchase and rehab of distressed properties do not include any investments at all. Objective 1 comes the closest, but still contemplates three years of "outreach" to determine whether, when and how to possibly invest in CDFI. [7] Our organizations respectfully submit that Fannie Mae and numerous other stakeholders have been engaged for years around this problem, and information gathering, market engagement and outreach should not be a substitute for the immediate, direct investment that is needed to provide capital for acquisition and rehab of distressed property.

Providing direct investment capital is already an element of the Enterprises' Plans in other activities. For example, Fannie Mae proposes to "provide investment capital to non-LIHTC properties that support the preservation of multifamily rental properties that are affordable to workforce families."[8] Fannie Mae also proposes serving the Rural Housing market by making

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[6] Fannie Mae Plan, pp. 70-71
[7] Fannie Mae Plan, pp. 107-109
[8] Fannie Mae Plan, p. 114

investments in nonprofits and CDFIs that focus on high-needs rural populations.[9]

CDFIs that work with nonprofit community developers are also in need of this capital. We appreciate that Fannie Mae's Plan acknowledges the need for work in this area, and hope that its revised Plan will provide investment in the immediate or near term.

C. Pilot new approaches to encourage lenders to make small-balance mortgages.

As representatives from Fannie Mae and Freddie Mac learned in a June 2, 2017, conference call with NCST buyers, many markets lack access to financing for small-balance mortgages. Mortgage lenders, particularly large national banks, have never originated $50,000 mortgages (or in some markets, even $100,000 mortgages) at remotely the same scale as they originate larger mortgages, but in recent years, according to the Urban Institute, the numbers have dropped even more.[10] This credit gap has a disproportionate effect on distressed areas where property values remain low and even larger homes sell for fairly low prices. Not only does lack of access to credit provide an obstacle to homeownership, but it also opens the doors to predatory products that can leave families significantly worse off, such as land installment contracts.

This problem most likely stems from two structural aspects of the mortgage market. First, compensation in the mortgage industry – realtors, mortgage brokers, and servicers, among others – is largely based on percentage commissions rather than on salaries or flat fees. There are some interesting exceptions at large banks or mortgage lenders that pay loan officers a salary to work in the "affordable" sector, but by and large the most capable loan officers gravitate to the commission structure where there is more money to be made.

Second, mortgage origination costs are largely fixed regardless of home price, and therefore a lender sees a larger profit when selling a larger mortgage. While there are robust conversations taking place regarding ways to reduce compliance costs and other origination costs, even if the fixed costs are reduced, that change will not fundamentally change the nature of the problem.[11]

Fannie Mae and Freddie Mac have little ability to alter either of these two dynamics. However,

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[9] Fannie Mae Plan, p. 163
[10] Ellen Seidman, "Where Have All the Small Loans Gone," (Urban Institute, 4/18/2017), available at http://www.urban.org/urban-wire/where-have-all-small-loans-gone
[11] Most proposals for reducing fixed costs include some kind of deregulation, which could leave the market vulnerable to another crisis.

they do have tools that could help push against the tendency of lenders to avoid small balance lending. For example, the Enterprises could reduce guarantee fees (or at least the risk-based LLPA fees) for these loans, as they have for their low-down-payment, affordable-homeownership products. Or, they could require that lenders selling loans to them deliver a certain percentage of small balance loans calibrated to the lenders' service areas.

It is also noteworthy that small balance loans are often a specialty of CDFIs and HFAs, so the investment opportunities discussed above could also help to address the access to small balance credit problem that continues to cripple distressed housing markets.

D. Finance affordable, tenant-friendly, single-family rental in both rural areas and distressed neighborhoods in urban or suburban locations.

More than half of all renters reside in single-family homes (defined as properties with one to four living units).[12] The market has grown dramatically since the foreclosure crisis, as it appears many families who lost their homes during the crisis moved into another single-family home rather than an apartment.[13] In many neighborhoods, single-family homes constitute the greatest source of naturally occurring affordable rental housing.

Unfortunately, current record-high rents and a shortage of units enable landlords – who are often remote investors – to rent out distressed properties without any market pressure to repair them. In some instances,[14] owners of distressed properties pass off their responsibility to maintain rental units onto the tenants under the guise of predatory products such as "rent-to-own" schemes or land installment contracts.[15] Unscrupulous investors are further aided by

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[12] U.S. Census Bureau, "Historical Census of Housing Tables," available at https://www.census.gov/hhes/www/housing/census/historic/units.html

[13] Aaron Terrazas, "Own-to-Rent: The Foreclosure Crisis and Single-Family Home Rentals," August 2, 2016, Zillow, available at https://www.zillow.com/research/single-family-home-rentals-12933/

[14] Alexandra Stevenson and Matthew Goodstein, "Rent-to-Own Homes: A Win-Win for Landlords, a Risk for Struggling Tenants," *New York Times: DealBook*, August 21, 2016, available at https://www.nytimes.com/2016/08/22/business/dealbook/rent-to-own-homes-a-win-win-for-landlords-a-risk-for-struggling-tenants.html

[15] Sarah Edelman, Michela Zonta and Julia Gordon, "Lease Purchase Failed Before – Can It Work Now?" (Washington: Center for American Progress, 2015), available at https://www.americanprogress.org/issues/economy/reports/2015/04/29/112014/lease-purchase-failed-before-can-it-work-now/

online auction sites,[16] which enable people around the globe to source low-value properties[17] on the cheap, either collecting rent payments until the home falls apart[18] or simply waiting until home values rise to flip them.

Recently, Fannie Mae's multifamily division ventured into providing government backed liquidity to large institutional investors to allow them to purchase thousands of single family homes for rental – approved by FHFA.[19] Unfortunately, this transaction did not contain affordability requirements of any kind, and the affordability profile of this deal significantly lagged the overall Fannie Mae multifamily portfolio. (Freddie Mac has entered into this market by financing an operator of single-family group homes, which is a mission-oriented outcome.)

In our view, the Duty to Serve mandate to preserve affordable housing should include addressing the severe abuses and waste taking place in the single family rental market as described above. For this reason, NCST and CCP recommend that Fannie Mae and Freddie Mac explore how best to support nonprofits or other mission-driven organizations that desire to enter into the single-family, scattered-site rental market to provide better affordability, habitability, and tenant protections than private operators.

If the Enterprises can pilot large financial transactions with for-profit, institutional players, they surely can and should pilot local efforts with nonprofit developers so that they can learn more about single-family rental operated at the local level with the interests of tenants and the community as the mission. NCST works with hundreds of mission-based nonprofits and developers who purchase and rehabilitate distressed properties, and some of these groups also would like to scale up their work in the single-family rental market — but only if they can access capital at a price that makes their good work achievable.

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[16] Christopher E. Herbert, Irene Lew and Rocio Sanchez-Moyano,"The Role of Investors in Acquiring Foreclosed Properties in Low- and Moderate-Income Neighborhoods: A Review of Findings from Four Case Studies," (Joint Center for Housing Studies, Harvard University, 2015), available at http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w13-11_herbert_lew_moyano.pdf
[17] Justin Weir, "Out-of-state homeowners hinder fight on blight," (Youngstown, Ohio: *Vindicator*, September 25, 2016), available at http://www.vindy.com/news/2016/sep/25/out-state-homeowners-hinder-youngstowns-fight-blig/?print
[18] Frank Ford, *et al.*, "The Role of Investors in The One-To-Three Family REO Market: The Case of Cleveland," (Joint Center for Housing Studies, Harvard University, 2013), available at http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w13-12_cleveland_0.pdf
[19] Allison Bisbey, "Invitation Homes Obtains Financing from Fannie Mae," *National Mortgage News*, January 26, 2017, available at https://www.nationalmortgagenews.com/news/invitation-homes-obtains-financing-from-fannie-mae

Our organizations also endorse the Housing Partnership Network's suggestion that the Enterprises consider partnering with a CDFI or consortium of nonprofits that could pull together different mission-focused operators of single-family rental in several markets. There would be geographic diversity across the portfolio as the Enterprises develop products for mission-focused borrowers that are responsible operators of scattered site rentals.

Notably, Freddie Mac's proposed Underserved Markets Plan for the Rural Housing market includes activities geared towards the single-family rental market.[20] As set forth in its analysis, Freddie Mac acknowledges, "Under current financing models, SFR renters are largely unserved by the GSEs. We believe it is our mission to serve all renters in all areas of the market."[21] We agree, but as in its other multifamily work and in its single-family work, the Enterprises should focus their efforts on the segment of the market that would not be adequately served by purely private capital. Duty to Serve is an opportunity to address single-family rental in all underserved markets, not just rural areas.

Conclusion

We appreciate the opportunity to comment on the Proposed Underserved Market Plans and FHFA's consideration of the above recommendations. We believe Duty to Serve can help ensure the Enterprises play a greater role in stabilizing and revitalizing struggling communities and combatting blight, and we hope that constructive guidance from FHFA can result in proposed Plans that are more ambitious and effective. Please let us know if you have any questions.

Sincerely,

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[20] Freddie Mac Plan, pp. 62-63
[21] Freddie Mac Plan, p. 62