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Attention: Comments/RIN 2590-AA27
Federal Housing Finance Agency
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RE: RIN 2590-AA27, Enterprise Duty to Serve Underserved Markets

Thank you for the opportunity to submit recommendations on the Federal Housing Finance Agency's (FHFA) Proposed Rule regarding the Housing and Economic Recovery Act of 2008 (HERA) Duty To Serve requirements for the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac. Overall, the National Affordable Housing Management Association (NAHMA) supports the proposed rule's goal to encourage the GSEs to increase their activities in support of preserving the affordability of rental housing and housing in rural markets.

NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. NAHMA supports legislative and regulatory policy that promotes the development and preservation of decent and safe affordable housing, is a vital resource for technical education and information and fosters strategic relations between government and industry. Founded in 1990, NAHMA's membership today includes the industry's most distinguished multifamily owners and management companies.

Preservation

NAHMA supports the proposed rule interpretation of "preservation" to allow Duty to Serve credit for GSE support for both "the purchase of permanent construction loans on rental properties with long-term affordability regulatory agreements and the purchase of refinanced mortgages on existing rental properties with long-term affordability regulatory agreements." We strongly support FHFA's decision to include GSE support for current affordable housing programs, including Section 8, Rental Assistance Demonstration (RAD), USDA Section 515 Rural Housing Program, and the Low Income Tax Credit Program. We also support the goal of increasing residential economic diversity.

In response to Question 42, NAHMA supports FHFA allowing the GSEs to resume LIHTC investments; however, FHFA should “limit investments to support for difficult to develop projects in segments of the market with less investor demand, such as projects in markets outside of the assessment areas of large banks or in rural markets or for preservation of projects with expiring subsidies.”

In response to Question 43, NAHMA recommends FHFA permit Duty to Serve credit be provided both for LIHTC equity investments in projects with expiring subsidies or projects in need of refinancing and also for LIHTC equity investments in new construction projects with regulatory agreements that assure long-term rental affordability.

In response to Question 44, if FHFA allows the Enterprises to resume LIHTC investments, NAHMA recommends FHFA prioritize, not limit, those investments that promote residential economic diversity.

In response to Question 51, NAHMA recommends GSEs’ support for multifamily properties that include energy improvements resulting in a reduction in the tenant’s energy and water consumption and utility costs be a Regulatory Activity, but it must be properly incentivized and not prescriptive.

Rural Markets

In response to Question 70, NAHMA supports FHFA’s definition of “rural areas.” Regardless of the definition, the end goal of extending GSE support for affordable housing in rural markets should be the absolute priority.

In response to Question 72, NAHMA strongly recommends GSEs’ support for housing for high-needs rural regions and high-needs rural populations be a Regulatory Activity.

In response to Question 73, NAHMA recommends GSEs partner with USDA Rural Development to provide liquidity to support their maturing mortgage crisis in the multifamily portfolio.

In response to Question 82, NAHMA believe FHFA’s proposed definition of “high opportunity area” is the most appropriate and supports the rule’s use of DDAs to define high opportunity areas outside of metropolitan areas.

Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Cook". The signature is fluid and cursive, written in a professional style.

Kris Cook, CAE
Executive Director