

AFFORDABLE GAP: SOLUTIONS 2018



WHAT'S THE STATUS OF DUTY TO SERVE?

November 27, 2018

OVERVIEW – DUTY TO SERVE (DTS)

- I. What is DTS?
- II. How could DTS help?
- III. What did DTS achieve in the first 6 months?



WHAT IS DTS?



PROGRAM OVERVIEW

KEY MILESTONES OF THE DUTY TO SERVE PROCESS



EVALUATION PROCESS

Step 1

- **Quantitative assessment**
- Determines pass or fail

Step 2

- **Qualitative assessment**
- Evaluates impact and implementation

Step 3

- **Extra credit**
- Upward adjustment for certain eligible activities

Rating

- **Final rating**
- Fails, Minimally Passing, Low Satisfactory, High Satisfactory, or Exceeds



DTS TIMELINE

11/1/18

Modifications
public input
comment period
closes

11/30/2018

Enterprises
submit
quarterly
reporting

3/16/2019

Enterprises
submit their
2018 Annual
Report to
FHFA

11/5/2018

FHFA publishes
2017 Data

12/31/2018

FHFA
publishes
modified
Underserved
Markets Plans



HOW COULD DTS HELP?



HOW COULD DTS HELP MANUFACTURED HOUSING MARKETS?



1. Open a single family market where units average cost is \$286,000 rather than \$70,600.
2. Refinance & competitive terms for chattel loans.
3. Options for residents of manufactured housing communities.

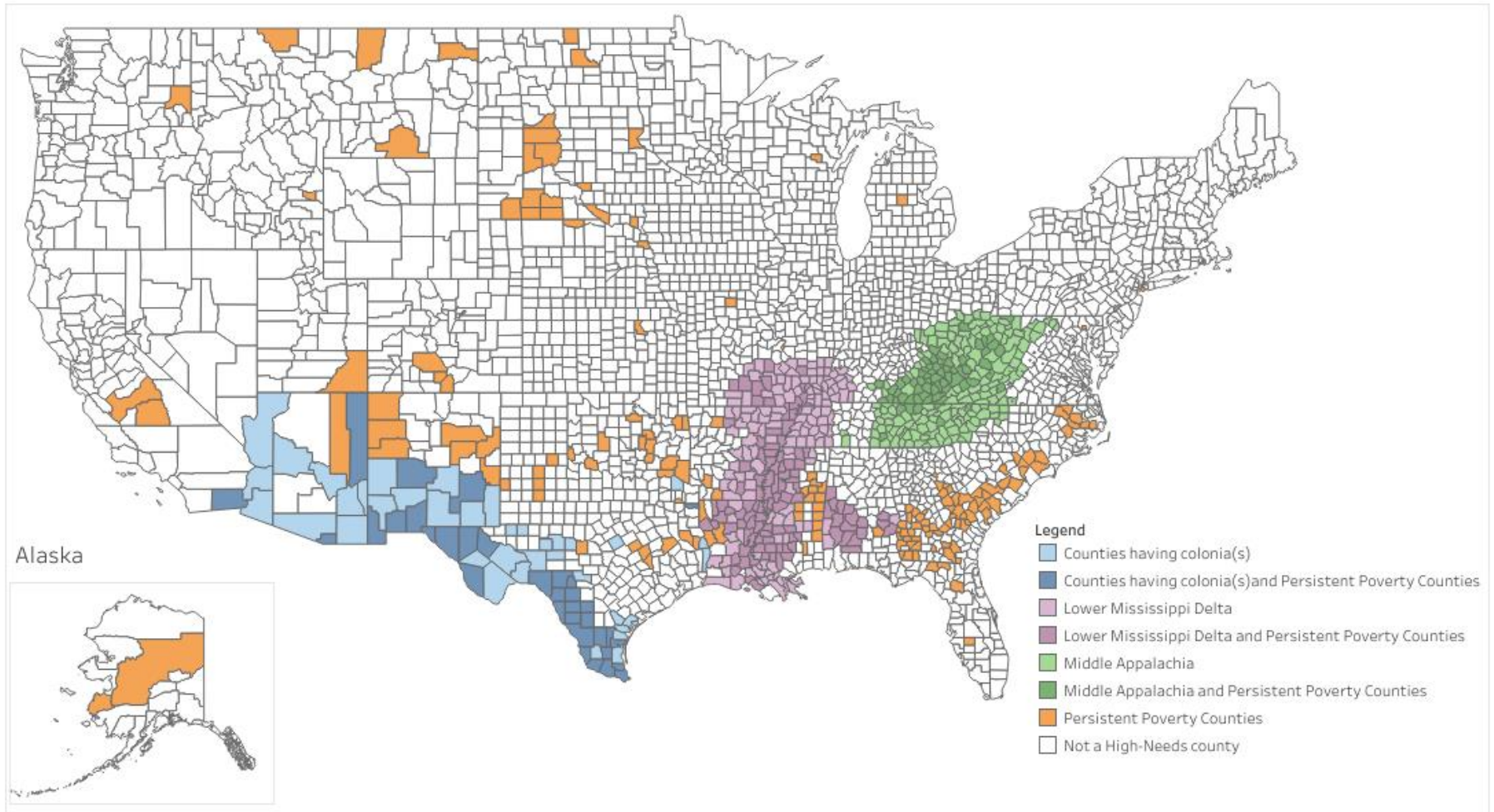
HOW COULD DTS HELP RURAL MARKETS?



1. Mortgage credit access more comparable to urban areas
2. Allow small lenders to move their loans into the secondary mortgage market.
3. Begin bringing mortgage credit access to High Needs Rural Areas.

HIGH NEEDS RURAL AREAS

2018 High-Needs Counties for Duty to Serve Purposes



HOW COULD DTS HELP PRESERVATION MARKETS?



1. Increase liquidity for preservation & rehab of traditional multifamily rental programs (LIHTC, Sec. 8, Sec. 515)
2. Increase demand for SF & MF loans that enhance energy efficiency.
3. Create loan products to purchase or rehab distressed single family properties.
4. Create a market for “shared equity” loans that preserve affordable homeownership.

WHAT DID DTS ACHIEVE IN THE FIRST 6 MONTHS?



Thank you!

www.fhfa.gov/dts

Jim Gray

Manager, Duty to Serve Program
Federal Housing Finance Agency

Jim.Gray@fhfa.gov

202-649-3124

