

April 13, 2000

Mr. Alfred M. Pollard
General Counsel
Office of Federal Housing Enterprise Oversight
1700 G Street, NW
Fourth Floor
Washington, DC 20552

Re: Response to Public Comments on NPR2

The National Association of Real Estate Brokers (NAREB) is the oldest and largest minority real estate trade association in America. The NAREB, Investment Division (NID) is the program development affiliate of NAREB.

NID is pleased to submit comments on the Public Comments on the Office of Federal Housing Enterprise Oversight (OFHEO) second Notice of Proposed Rulemaking (NPR2).

First, NID extends its' sincere commendations to OFHEO for its efforts in working with the GSE's and the entire mortgage finance and affordable housing industry in carrying out its mission of GSE safety and soundness oversight. Additionally, I personally have had the opportunity to work with the overwhelming majority of the respondents over the past twenty-five years and have an appreciation for the positions taken by each of the respondents to NPR2.

NID has worked with many of the respondents in the areas of fair housing and fair lending, single and multifamily valuation, sales and rehabilitation analysis, low to high LTV mortgage lending analysis, mortgage underwriting, securitization and servicing analysis, credit scoring, risk-based pricing and sub-prime lending, private and government mortgage insurance analysis, loan delinquency, default, foreclosure and recovery analysis, housing tax credit and bond analysis, homebuyer/owner education and community development, industry racial diversity and outreach and legislative issues concerning the housing industry. I am a past member of the Fannie Mae Advisory Counsel and have no working relationship with either GSE at this time. I have served on many HUD working groups and NID is presently a housing counseling grantee with HUD and manager of the HUD/NAREB One America Program, which is totally and independently funded by NID. NID is a former contractor to the RTC, FDIC, GE, HUD, Chase, Citicorp and local agencies in many of the areas noted above. Again, these relationship focused on urban and minority issues, primarily. NID has had discussion with OFHEO, HUD, Fannie Mae, Freddie Mac, GE, NHEMA and OCC on the proposed rule.

It is extremely important for NAREB/NID to clearly note here that Fannie Mae has been and remains the unequivocal leader in outreach and fair treatment of the urban and minority homebuyer and affordable housing community in the private sector real estate industry. Fannie Mae and Freddie Mac have recently publicly announced an expanded commitment to fair and affordable housing issues. **No other private mortgage finance industry participant has the mandate or will to aggressively pursue and promote fair and affordable housing issues as the GSE's.**

NID views the comments of each respondent to NPR2 as being informative and of sound reasoning based on the particular respondent's position in the marketplace. **NID strongly feels that the comments offered by Mr. Eugene A. Ludwig are the most balanced and responsive to the NPR2** offered of the Public Comments found on the OFHEO web site, 3-23-00. Mr. Ludwig's comments should be used as the guide for OFHEO, Fannie Mae and Freddie Mac to move productively forward in crafting a final rule. The final product must be one that is operationally workable and that realistically and fairly ties capital to risk in a manner that promotes and not limit product and management innovation by the GSE's.

The intent of Congress in the Federal Housing Enterprise Safety and Soundness Act of 1992 is clear. As well as the original laws that created and subsequent addendum's that also further govern the activities of the GSE's. **This rule making process is not the place to attempt to rewrite law and regulation governing the GSE's.**

It is critical that this process stay focused on the Safety and Soundness of the GSE's, while not overly compromising the missions of the GSE's and OFHEO. Any objective review of NPR2 and the Public Comments received clearly indicates that it is critical that OFHEO and the GSE's continue to work toward a final rule that serves and protects the public that they were created to serve and protect.

Independent business and trade association entities are by nature and understandably self-serving. It is NID's sincere desire that OFHEO implement a final rule that preserves, enhances and expands the GSE's ability to successfully pursue their new housing goals and government chartered mission to serve the public interest. Micro management of the GSE's nor rewriting laws that created and govern the activities of OFHEO and the GSE's should not be a result or consideration of this rule making process.

Again, the OFHEO leadership and staff is to be greatly commended for your tremendous efforts in insuring the safety and soundness of the GSE's while preserving their ability to provide liquidity and innovation in the mortgage finance and the fair and affordable housing industry.

Sincerely,
[Signed: Ray Carlisle]
Ray Carlisle
President, NID
Legislative Chair, NAREB