

rural areas, and other underserved areas housing goal, prior to repeal by Pub. L. 110-289, div. A, title I, § 1128(a), July 30, 2008, 122 Stat. 2696.

**§ 4565. Duty to serve underserved markets and other requirements**

**(a) Duty to serve underserved markets**

**(1)<sup>1</sup> Duty**

To increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets, each enterprise shall provide leadership to the market in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families with respect to the following underserved markets:

**(A) Manufactured housing**

The enterprise shall develop loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on manufactured homes for very low-, low-, and moderate-income families.

**(B) Affordable housing preservation**

The enterprise shall develop loan products and flexible underwriting guidelines to facilitate a secondary market to preserve housing affordable to very low-, low-, and moderate-income families, including housing projects subsidized under <sup>2</sup>

(i) the project-based and tenant-based rental assistance programs under section 1437f of title 42;

(ii) the program under section 1715z-1 of this title;

(iii) the below-market interest rate mortgage program under section 1715l(d)(4) of this title;

(iv) the supportive housing for the elderly program under section 1701q of this title;

(v) the supportive housing program for persons with disabilities under section 8013 of title 42;

(vi) the programs under title IV of the McKinney-Vento Homeless Assistance Act [42 U.S.C. 11360 et seq.], but only permanent supportive housing projects subsidized under such programs;

(vii) the rural rental housing program under section 1485 of title 42;

(viii) the low-income housing tax credit under section 42 of title 26; and

(ix) comparable state<sup>3</sup> and local affordable housing programs.

**(C) Rural markets**

The enterprise shall develop loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on housing for very low-, and low-, and moderate-income families in rural areas.

**(b) In general**

To meet the housing goals established under this subpart and to carry out the duty under

subsection (a) of this section, each enterprise shall—

(1) design programs and products that facilitate the use of assistance provided by the Federal Government and State and local governments;

(2) develop relationships with nonprofit and for-profit organizations that develop and finance housing and with State and local governments, including housing finance agencies;

(3) take affirmative steps to—

(A) assist primary lenders to make housing credit available in areas with concentrations of low-income and minority families, and

(B) assist insured depository institutions to meet their obligations under the Community Reinvestment Act of 1977 [12 U.S.C. 2901 et seq.],

which shall include developing appropriate and prudent underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures; and

(4) develop the institutional capacity to help finance low- and moderate-income housing, including housing for first-time homebuyers.

**(c) Additional categories**

The Director may submit recommendations to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate for the establishment of additional categories under subsection (a), provided that the Director makes a preliminary determination that any such category is important to the mission of the enterprises, that the category is an underserved market, and that the establishment of such category is warranted.

**(d) Evaluation and reporting of compliance**

**(1) In general**

The Director shall, by regulation, establish effective for 2010 and thereafter a manner for evaluating whether, and the extent to which, the enterprises have complied with the duty under subsection (a) to serve underserved markets and for rating the extent of such compliance. Using such method, the Director shall, for 2010 and each year thereafter, evaluate such compliance and rate the performance of each enterprise as to extent of compliance. The Director shall include such evaluation and rating for each enterprise for a year in the report for that year submitted pursuant to section 4521(a) of this title.

**(2) Separate evaluations**

In determining whether an enterprise has complied with the duty referred to in paragraph (1), the Director shall separately evaluate whether the enterprise has complied with such duty with respect to each of the underserved markets identified in subsection (a), taking into consideration <sup>2</sup>

(A) the development of loan products, more flexible underwriting guidelines, and other innovative approaches to providing financing to each of such underserved markets;

(B) the extent of outreach to qualified loan sellers and other market participants in each of such underserved markets;

<sup>1</sup> So in original. No par. (2) has been enacted.

<sup>2</sup> So in original.

<sup>3</sup> So in original. Probably should be capitalized.

(C) the volume of loans purchased in each of such underserved markets relative to the market opportunities available to the enterprise, except that the Director shall not establish specific quantitative targets nor evaluate the enterprises based solely on the volume of loans purchased; and

(D) the amount of investments and grants in projects which assist in meeting the needs of such underserved markets.

### (3) Manufactured housing market

In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(1), the Director may consider loans secured by both real and personal property.

### (4) Prohibition of consideration of affordable housing fund grants for meeting duty to serve

In determining whether an enterprise has complied with the duty referred to in paragraph (1), the Director may not consider any affordable housing fund grant amounts used under section 4567 of this title for eligible activities under subsection (g) of such section.

(Pub. L. 102-550, title XIII, § 1335, Oct. 28, 1992, 106 Stat. 3961; Pub. L. 105-65, title V, § 517(c), Oct. 27, 1997, 111 Stat. 1403; Pub. L. 110-289, div. A, title I, §§ 1128(c)(1), 1129(a), July 30, 2008, 122 Stat. 2701, 2703.)

#### REFERENCES IN TEXT

The McKinney-Vento Homeless Assistance Act, referred to in subsec. (a)(1)(B)(vi), is Pub. L. 100-77, July 22, 1987, 101 Stat. 482. Title IV of the Act is classified principally to subchapter IV (§11360 et seq.) of chapter 119 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 11301 of Title 42 and Tables.

The Community Reinvestment Act of 1977, referred to in subsec. (b)(3)(B), is title VIII of Pub. L. 95-128, Oct. 12, 1977, 91 Stat. 1147, which is classified generally to chapter 30 (§2901 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2901 of this title and Tables.

#### AMENDMENTS

2008—Pub. L. 110-289, § 1129(a)(1), inserted “Duty to serve underserved markets and” before “other” in section catchline.

Subsec. (a). Pub. L. 110-289, § 1129(a)(4), added subsec. (a). Former subsec. (a) redesignated (b).

Pub. L. 110-289, § 1129(a)(3)(A)–(D), inserted “and to carry out the duty under subsection (a) of this section” before “, each enterprise shall” in introductory provisions and struck out par. (5) which read as follows: “assist in maintaining the affordability of assisted units in eligible multifamily housing projects with expiring contracts, as defined under the Multifamily Assisted Housing Reform and Affordability Act of 1997.”

Pub. L. 110-289, § 1128(c)(1), substituted “housing goals established under this subpart” for “low- and moderate-income housing goal under section 4562 of this title, the special affordable housing goal under section 4563 of this title, and the central cities, rural areas, and other underserved areas housing goal under section 4564 of this title” in introductory provisions.

Subsec. (b). Pub. L. 110-289, § 1129(a)(3)(E), redesignated subsec. (a) as (b).

Pub. L. 110-289, § 1129(a)(2), struck out subsec. (b). Text read as follows: “Actions taken under subsection (a)(5) of this section shall constitute part of the contribution of each entity in meeting its affordable hous-

ing goals under sections 4562, 4563, and 4564 of this title for any fiscal year, as determined by the Secretary.”

Subsecs. (c), (d). Pub. L. 110-289, § 1129(a)(5), added subsecs. (c) and (d).

1997—Subsec. (a). Pub. L. 105-65, § 517(c)(3), designated existing provisions as subsec. (a) and inserted heading.

Subsec. (a)(5). Pub. L. 105-65, § 517(c)(1), (2), (4), added par. (5).

Subsec. (b). Pub. L. 105-65, § 517(c)(4), added subsec. (b).

## § 4566. Monitoring and enforcing compliance with housing goals

### (a) In general

#### (1) Authority

The Director shall monitor and enforce compliance with the housing goals established under this subpart and with the duty under section 4565(a) of this title of each enterprise with respect to underserved markets, as provided in this section.

#### (2) Guidelines

The Director shall establish guidelines to measure the extent of compliance with the housing goals, which, except as provided in paragraph (5), may assign full credit, partial credit, or no credit toward achievement of the housing goals to different categories of mortgage purchase activities of the enterprises, based on such criteria as the Director deems appropriate.

#### (3) Extent of compliance

In determining compliance with the housing goals established under this subpart, the Director—

(A) shall consider any single mortgage purchased by an enterprise as contributing to the achievement of each housing goal for which such mortgage purchase qualifies; and

(B) may take into consideration the number of housing units financed by any mortgage on housing purchased by an enterprise.

#### (4) Enforcement of duty to provide mortgage credit to underserved markets

The duty under section 4565(a) of this title of each enterprise to serve underserved markets (as determined in accordance with section 4565(c) of this title) shall be enforceable under this section to the same extent and under the same provisions that the housing goals established under this subpart are enforceable. Such duty shall be enforceable only under this section, except that such duty shall not be subject to subsection (c)(7) of this section and shall not be enforceable under any other provision of this chapter (including subpart 3 of this part) or under any provision of the Federal National Mortgage Association Charter Act [12 U.S.C. 1716 et seq.] or the Federal Home Loan Mortgage Corporation Act [12 U.S.C. 1451 et seq.].

#### (5) Additional credit

The Director may assign additional credit toward achievement, under this section, of the housing goals for mortgage purchase activities of the enterprises that comply with the requirements of such goals and support housing that includes a licensed childcare center. The