



**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515

November 13, 2024

Sandra L. Thompson  
Director  
Federal Housing Finance Agency  
400 7th St SW  
Washington, DC 20024

Dear Director Thompson,

We write to you regarding the Federal Housing Finance Agency's (FHFA) proposed Fiscal Year 2025-2027 multifamily affordable housing goals for Fannie Mae and Freddie Mac (Enterprises) published last August. Specifically, we request that the FHFA finalize enhanced affordable housing goals that help ensure reliable and robust capital in the housing finance system and increase access to affordable housing.

The United States has long faced a housing shortage that fails to meet our country's diverse housing needs, including rental housing. For instance, the United States must build 4.3 million more apartments by 2035.<sup>1</sup> This shortage is more severe for those with limited incomes, where only 34 affordable rental homes are available for every 100 extremely low-income renters.<sup>2</sup> This shortfall has exacerbated high living costs nationwide by contributing to unsustainable rent for tenants in our communities; nearly half of renters pay more than 30 percent of their income on housing costs.<sup>3</sup> To increase our housing stock and alleviate the financial burden tenants face, all actors in our housing system, including Fannie Mae and Freddie Mac, must take critical action to address this shortage.

The Enterprises play a unique and vital role in addressing our nation's housing shortage. Fannie Mae and Freddie Mac provide a bridge for lenders to much-needed capital to help finance housing that serves a broad spectrum of families. Last year, Fannie Mae financed over 480,000 units of multifamily rental housing<sup>4</sup> and Freddie Mac financed approximately 447,000 rental units<sup>5</sup>. The Enterprises must continue to play an active role in our housing finance system by providing reliable, robust, and low-cost capital for multifamily properties, especially affordable housing developments.

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<sup>1</sup> [NMHC | U.S. Apartment Demand Through 2035](#)

<sup>2</sup> [The GAP | National Low Income Housing Coalition \(nlihc.org\)](#)

<sup>3</sup> [Nearly Half of Renter Households Are Cost-Burdened \(census.gov\)](#)

<sup>4</sup> [Fannie Mae Reports Net Income of \\$17.4 Billion for 2023 and \\$3.9 Billion for Fourth Quarter 2023](#)

<sup>5</sup> [2023 Annual Housing Activities Report \(freddiemac.com\)](#)

The affordable housing goals are an important metric to ensure that the Enterprises meet one of their public purposes: “an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families”.<sup>6</sup> Therefore, we request the FHFA to:

- I. Raise the proposed low-income housing goal.** The proposed rule maintains the 61 percent benchmark in 2023-2024 despite the Enterprises’ outperformance. Last year, 76 and 67 percent of all multifamily housing units financed by Fannie Mae and Freddie Mac, respectively, served low-income households.<sup>7</sup> We understand the impacts that high mortgage interest rates have had on the multifamily housing market. However, the Enterprises’ previous performance highlights its ability to lead in providing credit for multifamily mortgages that serve low-income households. Furthermore, the federal interest rate cut and suggested subsequent decreases<sup>8</sup> coupled with individual state action on increasing their housing supply<sup>9</sup> point towards new opportunities for the Enterprises to meet higher benchmarks.
  
- II. Maintain the current housing goal for units that serve very low-income households.** We applaud the agency’s proposal to increase the share of units serving very low-income households to 14 percent from 12 percent in 2023-2024. Fannie Mae and Freddie Mac outperformed the previous benchmark with 18.7 and 20.6 percent last year.<sup>10</sup> Affordable housing developments already face many obstacles to completion, especially access to capital. The proposed goal incentivizes the Enterprises to connect these projects to reliable capital and help overcome market failures that concentrate investments in higher-end properties.<sup>11</sup> Without these robust goals, affordable housing projects may face limited access to financing.
  
- III. Increase the Low-Income Small (5-50 units) Multifamily Subgoal to above 2.5 percent.** Small multifamily properties play a critical role in the housing supply as stable and affordable homes for many low-income households.<sup>12</sup> These properties make up more than half of all subsidized units in the U.S. and house 60 percent of households with annual incomes below \$10,000.<sup>13</sup> However, the proposed rule decreases the 2025-2027 benchmark from 2.5 percent in 2023-2024 to 2 percent. Last year, Fannie Mae and Freddie Mac exceeded this goal with 3.2 percent and 4.1 percent respectively.<sup>14</sup> These properties also face barriers to capital and rather than decreasing the benchmark, FHFA should build on the Enterprises’ previous success to ensure that reliable financing is available for these units, especially during periods of elevated interest rates.

We encourage you to adopt a final rule with these recommendations to ensure that the Enterprises continue to promote access to affordable housing. Thank you for your consideration.

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<sup>6</sup> 12 U.S.C. 4501(7)

<sup>7</sup> [Federal Register :: 2025-2027 Enterprise Housing Goals](#)

<sup>8</sup> [Fed's Powell: US economy solid, gradual interest rate cuts coming | AP News](#)

<sup>9</sup> [After decades of inaction, states are finally stepping up on housing|Vox.com](#)

<sup>10</sup> [Federal Register :: 2025-2027 Enterprise Housing Goals](#)

<sup>11</sup> [Multifamily Housing Finance and Selected Policy Issues \(crs.gov\)](#)

<sup>12</sup> [Do Large Landlords’ Eviction Practices Differ from Small Landlords’? | Housing Matters \(urban.org\)](#)

<sup>13</sup> [Small and medium multifamily housing: affordability and availability: Housing Studies: Vol 37, No 7 - Get Access \(tandfonline.com\)](#)

<sup>14</sup> [Federal Register: 2025-2027 Enterprise Housing Goals](#)



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Sincerely,

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Barbara Lee  
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Froy Carter  
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Member of Congress

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Suzanne Bonamici  
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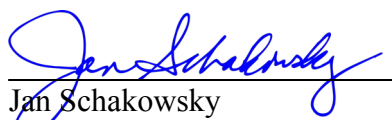
Delia C. Ramirez  
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Yvette D. Clarke  
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Becca Balint  
Becca Balint  
Member of Congress

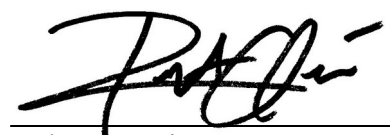
Grace F. Napolitano  
Grace F. Napolitano  
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Cori Bush  
Cori Bush  
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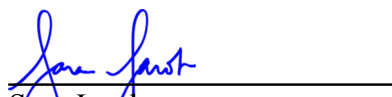
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Jan Schakowsky  
Member of Congress




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Robert Garcia  
Member of Congress



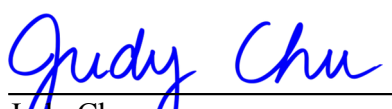
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Sara Jacobs  
Member of Congress




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Jonathan L. Jackson  
Member of Congress



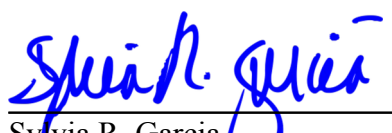
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Judy Chu  
Member of Congress



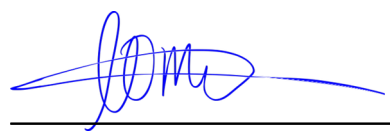
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Sylvia R. Garcia  
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Ilhan Omar  
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