UNDERSERVED MORTGAGE MARKETS COALITION

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Mr. Clinton Jones
General Counsel

Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20219

*3 November 2025*

Dear Mr. Jones:

The undersigned members of the Underserved Mortgage Markets Coalition (UMMC) thank you for the opportunity to comment on the proposed 2026-2028 Enterprise Housing Goals regulation.

UMMC is a coalition of more than 40 organizations dedicated to supporting access to affordable and sustainable homeownership and housing opportunities through Fannie Mae and Freddie Mac (the Enterprises). We work to ensure that the Enterprises fulfill their duty to support access to mortgages throughout the nation, including in underserved mortgage markets, safely and soundly. The views expressed in this comment letter are only those of the undersigned UMMC members.

The Enterprises play a vital role in our housing market, both through the standards they set and the liquidity they provide. Fannie Mae and Freddie Mac back more than $7.7 trillion in mortgage loans[1], including nearly half of single-family mortgage debt outstanding.[2] They also back more than 40 percent multifamily mortgage debt, giving them a critical role in supporting affordable rental housing.[3]

[1]"Fannie Mae Reports Second Quarter 2025 Results," Fannie Mae, July 30, 2025, https://www.fanniemae.com/media/document/pdf/q22025release.pdf; "Freddie Mac Reports Net Income of $2.4 Billion for Second Quarter 2025," Freddie Mac, July 31, 2025, https://www.freddiemac.com/investors/financials/pdf/2025er-2q25_release.pdf.
[2]Goodman et al. "Housing Finance at a Glance: A Monthly Chartbook, September 2025," Urban Institute, September 30, 2025, https://www.urban.org/sites/default/files/2025-09/September%20Final.pdf.
[3]In its 2024 annual earnings report, Fannie Mae reported $499.7 billion in multifamily mortgages outstanding, while Freddie Mac reported $467 billion in multifamily mortgage debt outstanding at the end of 2024, for a combined total of $966.7 billion. Freddie Mac reported that the overall size of the multifamily mortgage market was $2.279 trillion. "Fannie Mae Reports Net Income of $17 Billion for 2024 and $4.1 Billion for Fourth Quarter 2024," Fannie Mae, February 14, 2025, https://www.fanniemae.com/media/document/pdf/q42024release.pdf; "Freddie Mac Form 10-K,"Freddie Mac, February 13, 2025, https://www.freddiemac.com/investors/financials/pdf/10k_021325.pdf.

In the Enterprises' charters, Congress charged Fannie Mae and Freddie Mac with facilitating a secondary market for residential mortgages, including mortgages on housing for low- and moderate-income families, and promoting access to mortgage credit throughout the nation.[4] Congress later enacted the housing goals as a tool to ensure the Enterprises were meeting these objectives.[5] FHFA's role in setting meaningful goals for the Enterprises' service to lower income homebuyers and renters is essential to ensure the Enterprises are operating as Congress intended and that all families across the country are able to benefit from the lower cost credit they can provide.

We support FHFA's proposal to maintain the Enterprises' current multifamily housing goals, including the small multifamily subgoal, to support access to affordable rental housing. We urge you to also retain the Enterprises' single-family home purchase goals and subgoals to ensure that families also have the ability to build wealth through affordable homeownership.

**Single-Family Home Purchase Goals**

The proposed rule would reduce the goal for the share of home purchase mortgages that the Enterprises back for families with incomes up to 80 percent of the area median income (the "low-income purchase goal") from 25 percent to 21 percent and the goal for the share of home purchase mortgages that the Enterprises back for families with incomes up to 50 percent of area median income ("very low-income purchase goal") from 6 percent to 3.5 percent.

The proposed reductions would shrink Fannie Mae and Freddie Mac's home purchase goals to the lowest levels in FHFA's history and far below their performance in any year since 2010.[6] FHFA's analysis shows that, assuming the Enterprises were to exactly achieve each of their current and proposed goals exactly at current market volumes, this would result in 59,000 fewer families, including 37,000 fewer very low-income families, receiving Enterprise-backed mortgage loans each year.[7] Across the three years these goals would be in place, that's 177,000 fewer home purchase loans to lower income homebuyers backed by Fannie Mae and Freddie Mac.

Congress directed FHFA to consider a number of factors in establishing the Enterprises' single-family housing goals, including "national housing needs," "performance and effort of the enterprises toward achieving the housing goals" in previous years, and the "ability of the enterprises to lead the market in making mortgage credit available."[8] Current market conditions and the Enterprises' performance do not support a reduction in these goals. The proposed rule relies on the same market data that FHFA used to establish the current single-family low-income and very low-income home purchase goals, which the Agency finalized last year, and the Agency's proposal acknowledges that there have not been significant market shifts since the prior rulemaking.

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[4] 12 U.S.C. 1716; 12 U.S.C. 1451 note.
[5] Federal Housing Enterprises Financial Safety and Soundness Act of 1992, P.L. 102-550, as amended by the Housing and Economic Recovery Act of 2008, P.L. 110-289.
[6] Federal Housing Finance Agency. "2026-2028 Enterprise Housing Goals." Federal Register 90, No. 189 (October 2, 2025): 47632.
[7] Federal Housing Finance Agency, "Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule," https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-enteprise-housing-goals-proposed-rule-regulatory-impact-analysis.pdf.
[8] 12 U.S.C. 4562

There remains significant demand and origination volume for loans to low- and very low-income homebuyers. Market-wide data show that low-income homebuyers made up more than 26 percent of home purchases from 2021 through 2023 and 25.5 percent in 2024, and very low-income buyers made up 6 percent or more of home purchases in each of these years. With more ambitious home purchase goals in place, both Fannie Mae and Freddie Mac exceeded the market in their support for low-income and very low-income purchases in 2021 and 2022, and Freddie Mac did so again in 2023. In no case did either Enterprise fall below 26 percent of home purchase mortgages going to low-income homebuyers and in only one instance did an Enterprise fall below 6 percent of loans going to very low-income buyers from 2021 through 2024. Even it that case, 5.9 percent of loans went to very low-income buyers. We agree with FHFA's assessment that there is a significant shortage of affordable housing for homeownership, particularly homes affordable to lower income homebuyers. In recognition of this and other pricing pressures facing homebuyers of all incomes, FHFA already reduced the Enterprises' home purchase goals for 2025-2027 below the levels established in 2022-2024 when it set new goals last year.[9] The further reduction in home purchase goals proposed would reduce the Enterprises' activities far below the market level.

In setting the Enterprises' single-family housing goals, Congress also directed FHFA to consider the Enterprises' ability to lead the market in making credit available. The Enterprises' significant market share and role in purchasing loans from a wide variety of market players – including banks, credit unions, nonbanks, Community Development Financial Institutions (CDFI), and state housing finance agencies (HFAs) – undoubtedly make them market leaders, both through the products they develop and the loan conditions they set. Unfortunately, FHFA's proposed reductions in the Enterprises' single-family housing goals would position the Enterprises to lead the market in reducing the level of service to lower-income households. By setting goals far below the market levels, FHFA will allow the Enterprises to reduce their focus on purchasing loans to low- and very low-income families. Meeting the credit needs of lower-income households can require more work from the Enterprises. That includes engaging with community lenders that do more direct borrower engagement and creating products that fit with the changing nature of work and families' finances. Without a focus on this market segment, the Enterprises are likely to purchase fewer loans that meet the needs of lower income families.

While the proposed rule names a number of alternative potential outlets for loans to lower income households, these are not replacements for the liquidity the Enterprises provide and may in fact depend on the Enterprises' support. Loans guaranteed by the Veterans Administration (VA) and the U.S. Department of Agriculture's Rural Housing Service (RHS) are not available to all borrowers. Borrowers must meet other eligibility criteria – including military service or purchasing a home in a rural area – to qualify. And while Federal Housing Administration (FHA) loans are available to all qualifying borrowers nationwide, they are offered by a smaller subset of lenders and are less likely to be accepted by sellers. HFAs offer essential, affordable, tailored products in every state. However, they also need a secondary market for many of their loans, which Fannie Mae and Freddie Mac provide. It is therefore unclear that these alternative sources of liquidity would in fact absorb mortgage loans if the Enterprises reduce the volume of loans to lower income borrowers that they purchase.



[9]Federal Housing Finance Agency. "2025-2027 Enterprise Housing Goals." Federal Register 89, No. 249 (December 30, 2025): 106253.

Maintaining the home purchase benchmarks at their current levels does not mean that the Enterprises will inevitably fail to meet their goals if the market suddenly has a far smaller share of low- and very low-income homebuyers. Under the current rule, the Enterprises can achieve their goals by meeting either the benchmark set by FHFA or largely mirroring the market by being within a prescribed buffer amount of the actual market share of loans to low- and very low-income households for a given year. This allows the Enterprises to fall below the benchmark and still comply with the regulation if they are simply within a buffer range of purchasing a representative sample of single-family loans. By prospectively lowering the benchmarks substantially below FHFA's modeling, the proposed goals could allow the Enterprises to allocate a much smaller share of activity to goals-eligible loans than the market overall, reducing access to their beneficial terms and pricing for lower income borrowers.

We urge you to support access to affordable, sustainable homeownership for more families by maintaining the low-income and very low-income home purchase goals at 25 percent and 6 percent, respectively.

**Single Family Low-Income Areas Subgoal**

Congress also directed FHFA to establish a subgoal to ensure that the Enterprises adequately serve low-income areas, which it defined as low-income census tracts; borrowers in minority census tracts with incomes up to 100 percent of the area median income; and borrowers in disaster areas with incomes up to 100 percent of area median income. In its 2025-2027 Enterprise Housing Goals final rule, FHFA established goals for the Enterprises to provide mortgage credit to each of these geographic areas separately. The 2026-2028 Enterprise Housing Goals rule proposes to combine these distinct goals into a single Low-Income Areas subgoal.

Congress enumerated each of these three market segments and clearly intended that each market segment should be adequately served by the Enterprises.[10] Combining these distinct market segments into a single goal will allow the Enterprises to focus solely on meeting the easiest of these segments to serve. As FHFA acknowledged in its rulemaking, the low-income census tracts subgoal allows the Enterprises to meet the subgoal by serving any borrower in a low-income census tract, regardless of income. This could result in greater service to wealthier borrowers and reduced focus on lower-income homebuyers in minority census tracts.

To ensure that the Enterprises remain focused on serving all families, including moderate-income, working families, as Congress required, we urge you to retain distinct low-income census tract and minority census tract subgoals.



[10] 12 U.S.C. 4502

**Single-Family Low-Income Refinance Goal**

We support FHFA's proposal to maintain the single-family low-income refinance goal at 26 percent, as finalized in the Agency's 2025-2027 Enterprise Housing Goals rule. As FHFA noted, refinance volume is extremely sensitive to interest rate changes, and lower income borrowers tend to be a smaller share of the refinance market when an interest rate drop triggers a market-wide refinance boom. However, refinancing to a more favorable rate can be especially beneficial for lower income families, who have less wiggle room in their monthly budgets than higher income families and may especially benefit from lower monthly payments. These more sustainable payments are good for homeowners, the Enterprises, and the entire housing market. With lower monthly payments, lower income families are more likely to be able to keep up with their mortgage, even if they have a sudden illness or other unexpected shock. While the path for interest rates is especially uncertain at this point in time, it is vital that the Enterprises remain focused on supporting beneficial refinances for lower-income borrowers.

**Multifamily Housing Goals**

We support FHFA's proposal to maintain the multifamily housing goals finalized in the Agency's 2025-2027 Enterprise Housing Goals rule. As FHFA has noted, there is a significant shortage of affordable housing nationwide, including affordable rental housing for low- and very low-income renters. Congress requires FHFA to consider multiple factors when establishing the multifamily housing goals, as it does for the single-family housing goals, including the Enterprises' ability to lead the market. We share FHFA's view that the Enterprises should demonstrate leadership in the multifamily market by providing credit to support the availability of units affordable to low- and very low-income renters, including in small multifamily properties that may find it harder to access long-term affordable credit.

Congress created Fannie Mae and Freddie Mac to support access to housing opportunities for all families, including the hardworking firefighters in Beaumont, Texas, teachers in Lima, Ohio, and police officers in Saginaw, Michigan, whose typical salaries would all make their loans eligible for housing goals credit – and who could see costs rise or loans dry up if the Enterprises reduce their focus on this critical part of the market. We urge FHFA to ensure the Enterprises continue to lead the market in supporting access to long-term, affordable credit for all families throughout the country by maintaining the current single-family and multifamily housing goals.

UMMC is a coalition dedicated to ensuring that the Enterprises help meet the credit needs of all communities throughout the country, and we support all efforts to ensure that our full housing system is adequately served with access to sustainable, long-term credit. We encourage FHFA to retain the Equitable Housing Finance Plan process to ensure that Fannie Mae and Freddie Mac are identifying underserved markets and taking meaningful steps to address the needs of all markets throughout the country.

Thank you for considering our views.

Sincerely,

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Enterprise Community Partners
Grounded Solutions Network
Housing Assistance Council
Housing Partnership Network
LeadingAge
Lincoln Institute of Land Policy
Local Initiatives Support Corporation
National Community Reinvestment Corporation
National Community Stabilization Trust
National Housing Conference
National Housing Trust
New Hampshire Community Loan Fund
Neighborhood Partnership Housing Services, Inc.
Next Step Network
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