NMHC NATIONAL MULTIFAMILY HOUSING COUNCIL

NAA NATIONAL APARTMENT ASSOCIATION

July 23, 2026

Clinton Jones
General Counsel
Attention: Comments/RIN 2590–AB64
Federal Housing Finance Agency
400 Seventh Street, SW
Washington, DC 20219

Re: Notice of Proposed Rulemaking Enterprise Duty to Serve Underserved Markets

Dear Mr. Jones:

The National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) appreciate the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed rulemaking on the Enterprise Duty to Serve Underserved Markets (Proposed Rule). Our organizations represent the $4 trillion apartment industry, its more than 40 million residents, and tens of thousands of for-profit and non-profit owners, operators, mortgage originators and servicers, developers, lenders, and property managers.

As we review FHFA's proposed rule, we make the following observations:

We generally support the Proposed Rule. We support the proposed rule's changes that shift from a restrictive quantitative approach to determine success in meeting duty-to-serve (DTS) goals to a broader market-based evaluation. This approach will allow the Enterprises to measure success by implementing solutions that address identified shortfalls that these underserved markets are experiencing.

- **We specifically support changes in the proposed rule impacting Low Income Housing Tax Credit investments.** We strongly favor enabling the Enterprises to expand their Low-Income Housing Tax Credit (LIHTC) investments outside of rural areas as the proposed rule contemplates. This proposal is significant because support for LIHTC investments has flagged in certain markets that may not be rural, and the presence of a bid from the Enterprises can benefit those areas lacking strong demand.

  Further, the proposed rule asks whether the Enterprises should be allowed to purchase New Market Tax Credits (NMTCs). When the NMTC program was created, the intent was to not compete with the existing LIHTC program. Therefore, the NMTC plays a very limited role in spurring housing creation. While we could support directing the Enterprises to undertake an analysis to evaluate whether there is a housing benefit for mixed-use development utilizing the NMTC , a much better way to support housing would be to increase the annual investment cap for LIHTC for each Enterprise. This would be a more effective use of resources and result in more housing than a potential marginal increase in housing derived from increased NMTC investment by the Enterprises.

We caution FHFA on implementing the proposed rule's new approach for determining area median income. The proposed rule makes a strong case for modifying the current area median income (AMI) approach pertaining to areas of high poverty. We support the proposal to shift to a three-prong approach using the highest of three median incomes: county, state, or national, for the affordability calculation for such areas. This new approach would provide greater incentive for the Enterprises to serve these markets.

Our concern arises from the proposal to apply the approach to all geographic areas. Employing this new approach across all markets may result in the Enterprises more easier purchasing more qualifying mortgages. There is no evidence presented that the Enterprises would not have purchased those loans under current rules. If they would have purchased these loans under today’s rules, the proposed rule will make it much easier to meet affordability targets because in modest-income markets, more units suddenly “count.”

If a property’s rents were previously priced just above the area'' rent ceiling (because the local AMI was low), the higher state or national AMI benchmark raises that ceiling. Rents that did not qualify as ”affordable”" under today’s local test may now qualify under the new one contemplated in the proposed rule. In fact, as stated in the proposed rule, the “proposed change also makes it easier for the Enterprises to achieve mission objectives”.[1] Making it easier to achieve mission goals should not be an objective for FHFA in proposing this rule.

We suggest either only making these changes applicable to high-poverty areas or to strongly consider changing the Enterprises; mission-related affordability objectives if they suddenly demonstrate a marked increase in mission-related activity due to the change in AMI determination.

NMHC and NAA stand ready to work with FHFA and the Enterprises on issues pertaining to the proposed rule. If we can be of any assistance, please do not hesitate to contact us.

Sincerely,

Sharon Wilson Géno
President
Officer National Multifamily Housing Council

Bob Pinnegar
President and Chief Executive
National Apartment Association

[1] **Federal Register** / Vol. 91, No. 120 / Wednesday, June 24, 2026 / Proposed Rules pg 37866