NATIONAL ASSOCIATION OF REALTORS®

ADVOCACY GROUP
Shannon McGahn
Chief Advocacy Officer

July 23, 2026

Clinton Jones
General Counsel
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

RE: Notice of Proposed Rulemaking; Request for Comments, Enterprise Duty to Serve Underserved Markets; RIN 2590-AB64

Submitted Electronically to: RegComments@fhfa.gov

Dear Mr. Jones:

On behalf of the over 1.4 million members of the National Association of REALTORS® (NAR), we submit this letter in response to the Proposed Rule Regarding Enterprise Duty to Serve Underserved Markets. NAR appreciates the work the Federal Housing Finance Agency (FHFA) has done to update the Duty to Serve (DTS) requirements for Fannie Mae and Freddie Mac (collectively, the "Enterprises"). The updates come at a particularly important time as Americans continue to grapple with a historic lack of housing supply and rising housing costs. These challenges are felt even more strongly by Americans in rural communities and those who have low- and moderate-incomes. The DTS regulation provides a blueprint that will help solve many of the challenges in traditionally underserved communities.

By way of background, the National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,200 local associations or boards, and 54 state and territory associations of REALTORS®. NAR represents a wide variety of housing industry professionals committed to the development and preservation of the nation's housing stock, along with its availability to the widest range of potential homebuyers.

Background

The Housing and Economic Recovery Act of 2008 amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to establish an affirmative obligation of the Enterprises to serve three traditionally underserved markets: manufactured housing, affordable housing preservation, and rural housing. Pursuant to the statutory mandate, the Enterprises are required to establish baselines for each proposed loan purchase and investment goal based on a methodology using historic performance and to create targets for these loan purchase and investment objectives. The Enterprises must submit a three-year plan to the FHFA detailing the activities and objectives that they will undertake to assist the defined underserved markets.

The DTS plans have played an important role in establishing policies that create more affordable housing while also updating and repairing existing housing stock. We thank the FHFA for continuing this important work and allowing the general public an opportunity to provide feedback on the FHFA's proposal. We also welcome the opportunity to comment on the proposed plans that will be released by the Enterprises. We hope FHFA's updates will give the Enterprises more flexibility in meeting their statutory DTS requirements.

Flexibility in Future Duty to Serve Plans

NAR supports giving the Enterprises sufficient flexibility to respond to changing market conditions and to pursue high-impact activities that meet the needs of underserved markets. A more flexible framework can help ensure the Enterprises are not limited to narrow or overly prescriptive activities when emerging needs, local partnerships, or new financing tools arise. The FHFA should monitor and maintain accountability while also allowing the Enterprises to adjust their strategies if market conditions evolve.

This flexibility should include among other things the ability to support responsible pilots, partnerships with state and local housing finance agencies, and nonprofit housing providers. Such an approach would allow the Enterprises to test promising solutions, learn from implementation, and scale successful models in future DTS plans. NAR believes this type of flexibility is essential if the DTS framework is to remain responsive and focused on tangible outcomes for underserved communities.

Multifamily Housing in Rural Communities

NAR applauds the FHFA and its commitment to multifamily housing, especially in rural communities. While high housing costs have typically been associated with larger cities and coastal locations, rural communities across the country are seeing affordability challenges like never before.

The Enterprises' commitment to acquiring multifamily loans in rural areas for low- and moderate-income renters and buyers helps ease this burden. Any efforts to increase housing supply, especially affordable housing, should be prioritized. While many are not in a position to afford a home in some areas, affordable and stable renters make up the next generation of homebuyers. The support for multifamily housing in rural areas will help to bring stability and strength to rural communities.

Assistance Programs

NAR encourages the FHFA and the Enterprises to use the next generation of DTS plans to more directly support responsible downpayment assistance and shared equity homeownership programs.

For many creditworthy households, particularly first-time homebuyers, the lack of funds for a downpayment and closing costs remains one of the most significant barriers to sustainable homeownership. Enterprise support for well-designed downpayment assistance programs helps expand access to homeownership while preserving sound underwriting standards and consumer protections. The FHFA should also consider other assistance programs, such as rate buydowns, to help borrowers afford homes in the current higher-rate environments.

Shared equity models, including community land trusts, also deserve consideration. These programs can create new pathways to homeownership, and allow public, nonprofit, and philanthropic investments to benefit multiple generations of buyers. Over time, the programs can also recycle money back into the system, providing a more stable and sustainable source of funding that will help future generations. Furthermore, by establishing standards for the shared equity programs they will engage with, the Enterprises can help to enforce high quality practices, which can improve consumer outcomes and support safety and soundness in the broader housing ecosystem.

Research

NAR urges the FHFA to make clear that meaningful research, data collection, pilots, and market development activities are appropriate and valuable uses of DTS resources. In many underserved markets, the absence of reliable data, standardized practices, and replicable program models can prevent promising ideas from reaching scale. Allowing and encouraging the Enterprises to dedicate resources to applied research, stakeholder engagement, and program evaluation will help identify which interventions produce measurable benefits for underserved borrowers, renters, and communities.

Low-Income Housing Tax Credit (LIHTC) Investments

NAR also supports the Enterprises proposed investments in Low-Income Housing Tax Credit (LIHTC) properties to facilitate more affordable multifamily housing in rural areas. The expanded use of LIHTC funds will help provide more support to more communities. We believe this support in high-need rural regions will help to ease cost burdens in low- and moderate-income areas.

Manufactured Housing Development and Financing

New developments in manufactured housing are being promoted and adopted by communities across the country. We appreciate that the FHFA is acknowledging the benefits of both manufactured and modular housing as a solution to the housing crisis. The lower costs of building manufactured residences and the quality of the homes has spurred renewed interest in manufactured dwellings. The Enterprises rightfully place an emphasis on purchasing manufactured housing loans as real property and designing flexible loan products, both of which will eliminate some of the barriers for manufactured home financing. Pursuing policy and industry engagement on manufactured homes will also lower their costs and increase the visibility of newer manufactured housing units and the benefits they can provide.

Condominium Support

Condominiums continue to play an important role in housing affordability. Unfortunately, many condo projects are facing long-term maintenance deferment. In response to the tragic Surfside condominium collapse in Miami in 2021, the Enterprises released new guidelines that prohibited the purchase of loans for units in condos that have significant deferred maintenance or unsafe conditions. NAR supports these critical changes as we all work toward preventing a similar disaster in the future. Unfortunately, the guidelines have shown that many buildings across the country are in need of maintenance and repairs.

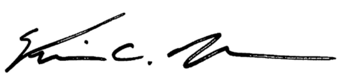
The FHFA should consider funding or studying the direction of money to affordable condo projects that are currently in need of significant repairs. Many living in affordable condominiums are facing a one-two punch of living in unsafe conditions and being unable to afford special assessments to pay for building repairs. This blow is being felt even more strongly in low- and moderate-income communities where condos are often the only option for affordable housing. By directing capital or loans to buildings at risk, the Enterprises can maintain affordable housing stock while also aiding residents and the safety and soundness mandate from the FHFA. Repairs will also allow new buyers access to buildings that are currently unapproved for financing. Contributing to the repairs of affordable complexes is a win-win for both residents—current and future—and the Enterprises.

Conclusion

We thank the FHFA for the updated DTS plans. Given the current challenges in housing, including the lack of housing supply, the lack of affordable housing units, and this higher mortgage rate environment, the underserved segments that the plans hope to assist could not be more timely. We look forward to working with both the FHFA and the Enterprises in accomplishing the goals of the plans as we all work to create a more affordable and more just housing economy.

If you have any questions or comments, please feel free to reach out to Matt Emery, NAR's Senior Policy Representative for Financial Services, at MEmery@NAR.Realtor.

Sincerely,



Kevin Brown
2026 President, National Association of REALTORS®