U.S. MORTGAGE INSURERS

July 24, 2026

Clinton Jones
General Counsel
Federal Housing Finance Agency
Constitution Center
400 7th Street SW
Washington, DC 20219
RIN 2590-AB64

Re: Enterprise Duty to Serve Underserved Markets Proposed Rule

Dear Mr. Jones,

On behalf of U.S. Mortgage Insurers (USMI) and our member companies,[1] we appreciate the opportunity to provide feedback on U.S. Federal Housing's (FHFA) Notice of Proposed Rulemaking (NPR) on "Enterprise Duty to Serve Underserved Markets."[2] USMI represents the nation's leading private mortgage insurance (MI) companies and our members enable first-time and working-class homebuyers without access to large down payments to realize the American Dream of homeownership sooner, while providing robust risk protection to lenders, Fannie Mae and Freddie Mac (the GSEs), investors, and taxpayers. USMI's member companies partner with the GSEs to help them meet their statutory and regulatory obligations for serving the needs of working-class Americans in underserved markets and we support FHFA's goals of reducing administrative burdens related to their duty to serve underserved markets. The proposed regulatory streamlining and outcome-based framework will allow the GSEs to better serve these markets and will help more Americans become homeowners.

Since 1957, the private MI industry has been in the market every day and has helped nearly 41 million households achieve homeownership, including more than 800,000 households in 2025 alone.[3] USMI member companies help make mortgage credit available to low down payment homebuyers and serve as private capital in the first-loss position. While many other costs of homebuying and homeownership have increased in recent years, private MI premiums, measured by the yields on portfolios of insurance in force, have declined approximately 25% since 2017.[4] This trend was driven by the expanded use of risk-based pricing engines and private MI companies passing along savings from the *Tax Cuts & Jobs Act*'s[5] corporate tax rate reduction. The utilization of private MI has become even more affordable with President Trump's signature

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[1] USMI membership comprises: Enact Mortgage Insurance Corporation; Essent Guaranty, Inc.; Mortgage Guaranty Insurance Corporation; National Mortgage Insurance Corporation; and Radian Guaranty Inc.
[2] 91 Federal Register 37848 (June 24, 2026).
[3] GSE Aggregate Data and USMI Member Company Data.
[4] MI Companies' Quarterly SEC Filings and Financial Supplements.
[5] Pub. L. 115-97 (December 22, 2017).

on the *Working Families Tax Cuts*,[6] which reinstated and made permanent the ability of many homeowners to deduct MI premiums (provided by private MI companies and federal agencies such as the Federal Housing Administration) from their federal taxes beginning with tax year 2026. USMI and its member companies are keenly interested in advancing policies that promote access to the conventional mortgage market and support affordable, sustainable homeownership.

The *Housing and Economic Recovery Act of 2008* (HERA) requires the GSEs "[t]o increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets" including for manufactured housing.[7] In the NPR, FHFA requests feedback about the definitions of "manufactured home" and "manufactured housing market" to capture types of factory-built homes beyond HUD-code manufactured homes. USMI supports FHFA's consideration of advances in manufactured housing and the opportunities to better serve homebuyers who purchase it.

Manufactured housing is a critical source of affordable homeownership, including for younger buyers seeking "starter homes," and USMI's member companies proudly offer private MI to low down payment borrowers for eligible manufactured homes in accordance with state insurance statutes/regulations and requirements under the GSEs' Private Mortgage Insurer Eligibility Requirements (PMIERs). As FHFA considers expanding the definition of "manufactured home" to potentially include personal property loans (chattel lending), we note that PMIERs explicitly restricts Approved Insurers to providing mortgage guaranty insurance on real property.[8] Similarly, state insurance statutes and regulations also restrict private MI companies from writing insurance coverage on loans secured by anything other than real property. USMI would welcome additional engagement with FHFA to discuss the role of credit enhancement in low down payment financing for manufactured homes.

Innovation, as recognized in the NPR, is important for identifying federal policies and programs to best serve borrowers, and FHFA has a robust framework and process to ensure that new products, activities, and pilots adhere to the GSEs' congressional charters and do not cross the "bright line" separating the primary and secondary mortgage markets. FHFA proposed a "Prior Approval for Enterprise Products" rule under former Director Mark Calabria, which was subsequently finalized and became effective on April 28, 2023.[9] This rulemaking was required

[6] Pub. L. No. 119-21 (July 4, 2025).
[7] 12 USC 4565(a)(1).
[8] PMIERs Glossary definition of "Mortgage Guaranty Insurance": The primary or pool-level insurance or guarantee against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of a note, bond, or other evidence of the indebtedness, and which is secured by a mortgage, deed of trust, or other instrument constituting an enforceable lien or its equivalent against real property on which is erected an improvement designed for occupancy as a 1-4 unit residential structure (including any manufactured home that is legally classified as real estate).
[9] 87 Federal Register 79217 (December 27, 2022); 88 Federal Register 11779 (February 24, 2023).

under HERA[10] and in the final rule, which USMI supported,[11] FHFA defined and implemented an approval process to promote transparency and accountability for new GSE activities, products, and pilots. Faithful implementation of the final rule is an important guardrail to ensure that the GSEs' activities and footprint in the mortgage market remain charter-compliant and do not increase risk in the housing finance system. We urge FHFA to consistently and transparently apply this rule and to encourage private capital wherever appropriate. Specifically, in the context of "eligible activities" under this proposal, we recommend that FHFA incorporate private MI and primary first-loss credit enhancement into the safety and soundness evaluation for any new product or activity to ensure that homebuyers are affordably and sustainably served, while private capital absorbs credit losses.

USMI and its member companies appreciate the opportunity to engage with you and your team on housing finance policies that enable access to homeownership opportunities for borrowers without large cash down payments and appropriately balance access to affordable mortgage credit with safety and soundness in the U.S. housing finance system. Please feel free to reach out to me directly at sappleton@usmi.org or 202-280-1820 if you have any questions or should you need any further information.

Sincerely,

Seth D. Appleton
President, USMI

[10] 12 USC 4541.
[11] USMI, "Statement: FHFA's Final Rule for New GSE Products and Activities" (December 21, 2022). Available at https://www.usmi.org/press-release-private-mortgage-insurers-statement-on-fhfas-final-rule-for-new-gse-products-and-activities/.