America's Credit Unions

99 M Street SE
Suite 300
Washington, DC 20003

July 24, 2026

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

RE: Enterprise Duty To Serve Underserved Markets

Dear Mr. Jones:

On behalf of America's Credit Unions, I am writing in response to the Federal Housing Finance Agency's (FHFA) proposal to rescind and replace its regulation on Duty to Serve Underserved Markets. America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their over 146 million members nationwide. Overall, we support the broad direction of this proposal, as it provides Fannie Mae and Freddie Mac (the GSEs or Enterprises) with greater flexibility to support underserved markets and expand secondary market liquidity for the specialized mortgage products and borrower segments that credit unions frequently serve.

General Comments

America's Credit Unions supports the decisions contemplated in this proposed rule. Shifting the GSEs away from a restrictive menu of activities to a more flexible "any eligible action" incentivizes the Enterprises to purchase a wider variety of specialized loan products originated by credit unions. The existing framework has often constrained innovation by requiring the Enterprises to pursue rigid, pre-defined activities specifically identified in statute or regulation. By adopting a more principles-based approach, FHFA would provide the Enterprises with the flexibility to develop and purchase a broader range of specialized mortgage products originated by credit unions, including products tailored to low-income communities, rural borrowers, first-time homebuyers, manufactured housing, and affordable housing. As the Enterprises design and implement new products and pilot programs, we encourage FHFA to ensure that community-based credit unions, Community Development Financial Institutions (CDFIs), and minority depository institutions have meaningful opportunities to participate. These institutions are uniquely positioned to serve and test innovative approaches in the underserved markets targeted by the Duty to Serve framework.

America's Credit Unions also supports FHFA's proposal to revise the methodology for determining borrower income eligibility by comparing a borrower's income against the highest applicable median income benchmark, including local, state, and national urban or non-metropolitan median incomes. This approach more accurately reflects economic conditions across underserved communities and would expand Enterprise support for borrowers who may otherwise be excluded solely because they reside in areas with exceptionally low median incomes. Many credit unions serve rural and economically distressed communities where local median incomes can significantly understate borrowers' financial capacity. By adopting the proposed “national floor” approach, FHFA will help ensure that more loans originated by credit unions qualify for Duty to Serve consideration, increase secondary market liquidity in underserved areas, and expand access to affordable mortgage credit for low-, moderate-, and middle-income borrowers.

Below, we offer additional recommendations that will assist credit unions in the implementation of the new Duty to Serve framework.

Manufactured House Definition

We encourage FHFA to consider expanding the definition of manufactured homes to include modular, panelized, and state-code factory-built housing alongside traditional HUD-code homes. Doing so would enhance credit union portfolio flexibility and support the development of a broader supply of affordable housing, particularly for first-time homebuyers. Under the current regulation, the term “manufactured home” is limited to homes built to the HUD Code. As HUD proposes to expand flexibility for HUD-code manufactured homes and encourages innovation in factory-built housing, FHFA should likewise ensure that the Enterprises can support financing for safe, affordable factory-built housing. Aligning these federal housing policies would improve financing opportunities, expand affordable housing supply, and provide greater certainty for lenders and consumers.

Chattel Loans

America’s Credit Unions appreciates FHFA identifying responsible chattel financing as critical to the Enterprises fully meeting their Duty to Serve. Credit unions frequently originate manufactured housing loans, and the proposal’s explicit encouragement to the GSEs to build a secondary market infrastructure for chattel lending is a significant shift. This mindset will pave the way for standardizing personal property loans.

Building on the proposal, the Enterprises have historically made limited progress in facilitating purchases of manufactured housing chattel loans despite prior incentives and policy directives. As a result, a robust secondary market for these loans has yet to emerge. This market gap is reflected at the credit union level, where manufactured home chattel loans account for only 0.50 percent of total loan originations. To address this longstanding challenge, we urge FHFA to require the Enterprises to publish clear and transparent pilot underwriting guidelines within the first year of the new Plan cycle. These guidelines should establish eligible loan characteristics, underwriting standards, servicing requirements, and participation criteria, providing lenders with a defined pathway for originating chattel loans eligible for Enterprise purchase. Such measures would advance the proposal's outcome-based approach and encourage the development of a sustainable secondary market for responsibly underwritten manufactured housing chattel loans.

Conclusion

America’s Credit Unions appreciates the opportunity to comment on FHFA’s proposal on Duty to Serve Underserved Markets. We support the agency’s effort to revise its regulatory framework while preserving the focus on serving underserved communities. Should you have any questions or require any additional information, please contact me at tmaron@americascreditunions.org or 202-961-5731.

Sincerely,

Tyler Maron
Regulatory Advocacy Counsel