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July 24, 2026

Via Electronic Delivery

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

Re: Proposed Rulemaking on Enterprise Duty to Serve Underserved Markets/RIN 2590-AB64

Dear Mr. Jones:

Freddie Mac appreciates the opportunity to provide comments on the proposed rule issued by U.S. Federal Housing ("FHFA") on June 24, 2026, regarding the Enterprise Duty to Serve Underserved Markets ("Proposed Rule").[1]

Freddie Mac commends FHFA's efforts to modernize the Duty to Serve ("DTS") framework in a manner that can better support very low-, low-, and moderate-income families in the manufactured housing, affordable housing preservation, and rural housing markets. Building on the current rule's important role in focusing sustained attention on these underserved markets, the Proposed Rule allows greater latitude for new ideas while emphasizing outcomes and broad market impact. It will simplify requirements and processes, encourage innovation, reduce unnecessary administrative burden, and provide greater flexibility to respond to changing market needs and conditions.

Since launching its DTS program in 2018, Freddie Mac has made a substantial impact through innovative financing offerings, considerable investments, new industry engagements, research, and thought leadership. Based on that experience, we recommend that FHFA consider making changes to the Proposed Rule in three areas:

- Given the Proposed Rule's narrower modification framework for an Enterprise's Underserved Market Plan ("Plan"), FHFA should clarify how it will account for changing market conditions and consider allowing reasonable mid-cycle updates. FHFA should also consider a projections-based approach in place of fixed purchase targets.
- To achieve FHFA's goal of enhancing the role of public comments in the Enterprises' Plan development, FHFA should provide more time between the end of the public comment period and the deadline for submission of revised Plans.
- If FHFA adopts the proposed change to the median income calculation, Freddie Mac recommends an effective date no earlier than 2028 to allow time to analyze lender

[1] Enterprise Duty to Serve Underserved Markets, Proposed Rule, 91 Fed. Reg. 37848 (June 24, 2026).

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implementation, adoption, and implications for the Conservator's performance goals for the Enterprises (the "Scorecard").

I. Clarify How FHFA will Evaluate Performance and Preserve Transparency if Mid-Cycle Plan Modifications are Limited

Freddie Mac supports FHFA's objective of developing Plans that function as stable, forward-looking roadmaps, and the Proposed Rule's greater flexibility in setting objectives. We also understand FHFA's concern that frequent late-year modifications—particularly downward adjustments to loan purchase targets—may create the appearance that Plans are being revised to conform to realized outcomes rather than driving ambitious performance.[2]

However, narrowing the circumstances for Plan modifications may have unintended consequences, including discouraging innovation and reducing transparency around DTS-planned activities.[3] In our experience, modifications outside exigent events can be appropriate when consistent with serving the underserved market—for example, when an Enterprise identifies an emerging need mid-cycle or determines that a different initiative would better advance program purposes. If such modifications are not permitted, performance should be evaluated holistically, accounting for evolving market conditions and preserving our ability to redirect focus to the highest-impact activities.

The current modification process also keeps the public informed by requiring publication of modified Plans and enabling FHFA to seek comment on proposed changes.[4] This transparency invites stakeholder collaboration and timely feedback, and strengthens FHFA's year-end evaluations. When the public understands the activities that the Enterprises intended to pursue, the anticipated market conditions, and the reasons for material shifts, FHFA is better positioned to explain its ratings in a manner grounded in the record and clear to external stakeholders.

Consistent with the statute and in recognition of the maturity of the Enterprises' engagements in the underserved markets, we also recommend that FHFA consider shifting from the conception of fixed purchase "targets" toward a framework based on "projections." This change, in concert with evaluating outcomes in light of market conditions and other contextual factors, would support the effort to eliminate modifications, which became increasingly necessary in recent years during periods of greater market volatility.

II. Provide 60 Days to Respond to Public Feedback and Implement Plan Changes

Freddie Mac supports FHFA's efforts to streamline the Plan development review period and

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[2] *See id*. at 37859 (discussing FHFA's concerns about current modification process).
[3] *See id*. at 37871 (proposed § 1283.4(d) would narrow the circumstances under which the Enterprises may request modifications to their Plans).
[4] FHFA, *Duty to Serve Evaluation Guidance*, 2025-8 (Aug. 18, 2025), available at https://www.fhfa.gov/document/dts-evaluation-guidance-2025-8.pdf.

FHFA's goals of enhancing transparency and ensuring meaningful public engagement in the development of Plans.[5] Stakeholder feedback provides valuable insight into market needs, implementation challenges, and opportunities. To ensure that substantial points raised by public comments can be considered in a reasoned way, the final rule should provide sufficient time for the Enterprises to review public input, assess potential Plan revisions, coordinate with subject matter experts, and complete necessary internal reviews and approvals. The proposed 30-day review-and-response period would limit the practical ability of the Enterprises to complete those steps. Freddie Mac recommends that FHFA allow the Enterprises to have at least 60 days to revise their Plans in response to substantial feedback received during the public comment period.

III. Implement the Revised Median Income Calculation No Earlier than 2028

To expand DTS-eligible lending in rural communities, FHFA proposes to determine affordability by: (1) comparing the incomes of borrowers located outside of metropolitan areas with the highest applicable median income among county, state, and national non-metropolitan areas; and (2) comparing the incomes of borrowers located in metropolitan areas with the highest applicable median income among county, state, and national metropolitan areas. This change would affect how affordability is measured for lending in rural areas.

A number of questions remain regarding how this change could be designed and implemented. These questions include: (1) how lenders and their technology providers (such as POS, PPE, accounting systems) could implement it to deliver meaningful impact while minimizing operational and technology costs; (2) how it would be adopted; and (3) how it would affect our balanced Scorecard activities. A 2028 effective date would provide a constructive window to work through these considerations.

Conclusion

We continue to appreciate FHFA's engagement and oversight of our efforts to address the needs of the three underserved markets. We take our DTS mission seriously and will continue working to make meaningful contributions that expand affordable and sustainable homeownership and rental housing opportunities as the statute intends. We appreciate FHFA's leadership in proposing updates to the framework and look forward to continuing to work with FHFA on the DTS program.

Sincerely,

DocuSigned by:
Kevin Kauffman
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Kevin Kauffman
Senior Vice President
Seller Engagement

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[5] *See* Proposed Rule, 91 Fed. Reg. at 37858 (FHFA's description of goals for public input process).