Maine Affordable Housing Coalition

July 22, 2026

Comments on Federal Housing Finance Agency's Proposed Amendments to Duty to Serve Underserved Markets Regulation - Proposed Rule for 2028-2030 (RIN 2590-AB64)

Thank you for the opportunity to comment. The Maine Affordable Housing Coalition (MAHC) is the statewide housing advocacy coalition representing more than 140 organizations and over 2,500 individual members. MAHC is a nonprofit advocating for the creation and preservation of affordable housing so all Maine people have a place to call home. MAHC's members include affordable housing developers, lenders, service providers, municipalities, architects, contractors, advocates, and businesses committed to addressing Maine's housing shortage.

We appreciate FHFA's commitment to improving the effectiveness of the Duty to Serve (DTS) program and recognize the Agency's interest in providing Fannie Mae and Freddie Mac with greater flexibility and reducing administrative burden. However, we are deeply concerned that the proposed rule would weaken one of the few federal policies that explicitly ensures sustained investment in rural and other underserved housing markets.

Rural housing requires intentional policy that meets the unique needs, circumstances, and opportunities in rural areas - not just flexibility.

Maine is the most rural state in the nation. Maine' housing shortage affects every community, but the challenges facing the vast rural areas of Maine are especially acute. Small project sizes, limited local financing capacity, aging housing stock, workforce shortages, higher infrastructure costs, and thin development margins compared to incomes make affordable housing production particularly difficult outside of Maine's few metropolitan markets.

These realities are precisely why Congress established the Duty to Serve requirement. Left solely to market forces, capital naturally flows toward larger, lower-risk, and more profitable transactions – outside Maine. DTS has served as an important counterbalance by ensuring the Enterprises remain intentional participants in markets that otherwise receive insufficient investment.

The proposed elimination of the Rural Market Regulatory Activity for High-Needs Rural Populations risks reversing years of progress.

Without explicit regulatory expectations, we are concerned that Enterprise investments will increasingly gravitate toward larger and more efficient markets where transaction costs are lower and deployment is easier. While such an outcome may improve operational flexibility, it would do little to fulfill the statutory purpose of Duty to Serve.

The consequences extend beyond individual projects. Affordable housing in rural states like Maine depends on complex financing partnerships.

Enterprise investments do more than provide additional equity. They often serve as foundational investments that attract additional private capital and make financially challenging developments possible. As our partners at Evernorth describe in their comments, Enterprise investments have played a critical role in leveraging private investment throughout Northern New England and helping finance nearly 1,000 affordable homes in rural communities since 2019.

If Enterprise participation declines, the impacts will ripple through rural communities and leave Maine people choosing between food and housing, medicine and housing, living in safe or unsafe conditions, or facing homelessness. The impacts will also be seen throughout the affordable housing ecosystem:

- Fewer affordable housing developments will reach financial feasibility.
- Rural communities will lose one of their few reliable sources of mission-oriented capital.
- Existing affordable homes will become more difficult to preserve.
- Employers already struggling to recruit workers because of housing shortages will face additional barriers.
- Older adults, families, veterans, and people with disabilities will have fewer affordable housing opportunities in the communities where they already live.

In Maine, housing is an economic imperative and competitiveness issue. Employers across every sector identify housing availability as one of the greatest barriers to attracting and retaining workers. Weakening incentives for rural housing investment will make this challenge even more difficult.

Flexibility should not come at the expense of accountability. We support FHFA modernizing the DTS framework. We just ask that modernization strengthen the program's effectiveness, while maintaining accountability.

The current proposal would significantly reduce the specificity of Enterprise obligations and replace measurable regulatory expectations with broader discretion. While flexibility has value, experience demonstrates that underserved markets require explicit attention if they are to compete successfully for capital against larger and more profitable opportunities. Commentators have also noted that removing clear regulatory benchmarks risks undermining the accountability Congress intended when it created the Duty to Serve requirement.

FHFA has an opportunity to streamline reporting requirements and encourage innovation while still maintaining clear expectations that rural housing, affordable housing preservation, manufactured housing, and other historically underserved markets remain priorities.

Manufactured housing parks plays an outsized role in Maine. More than 45,000 people in Maine live in these parks and they are some of the only remaining naturally occurring affordable housing. Maine recently changed its laws to allow manufactured housing in resident owned housing communities to change their title so they can get a mortgage.

We respectfully urge FHFA to:

- Retain a distinct regulatory requirement focused on high-needs rural populations.
- Preserve measurable expectations that ensure Enterprise resources continue to reach underserved rural communities.
- Modernize reporting and implementation requirements where appropriate without eliminating the underlying obligation.

The housing challenges facing rural America have not diminished. If anything, they have intensified in the last few years. **Maine and other rural states are working aggressively to increase housing production, preserve existing affordable homes, and address workforce shortages. Reducing incentives for Enterprise investment in rural**

housing moves in the wrong direction. Maine has quickly made policy changes to reduce the cost of building housing, speed the development of housing, and invest in affordable housing and we need partnership from stakeholders at all levels to stay committed and focused on rural people's unique housing challenges.

The Duty to Serve statute exists because these markets are different. Their financing needs are different, their economics are different, and without intentional policy they will continue to be underserved.

We respectfully urge FHFA to retain a clear and distinct rural housing obligation within the Duty to Serve framework.

Thank you for your consideration of these comments.

Sincerely,

Laura Mitchell
Executive Director
Maine Affordable Housing Coalition