MBA®

MORTGAGE BANKERS ASSOCIATION

July 24, 2026

The Honorable William J. Pulte
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

RE: Enterprise Duty to Serve Underserved Markets Proposed Rule

Dear Director Pulte,

The Mortgage Bankers Association[1] (MBA) thanks the Federal Housing Finance Agency (FHFA or the Agency) for the opportunity to comment on the Enterprise Duty to Serve Underserved Markets Proposed Rule (the Proposal)[2]. The Duty to Serve (DTS) program is an important element of Fannie Mae's and Freddie Mac's (the Enterprises') role in supporting the manufactured housing, rural housing, and affordable housing preservation markets. MBA supports the Enterprises' DTS mandate and efforts to improve the program by expanding its effectiveness and impact, reducing administrative burdens, and improving efficiency.

MBA appreciates that many of the changes in the newly proposed regulation are responsive to recent efforts by the Administration to promote affordable housing. As noted in the Proposal, the strategic shift reflected in the proposed rule, away from prescriptive Regulatory Activities and toward innovative and market-driven "eligible actions," is responsive to the "Removing Regulatory Barriers to Affordable Home Construction" Executive Order (EO). While manufactured housing has always been part of the DTS

[1] The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

[2] Federal Register, "Enterprise Duty to Serve Underserved Markets" June 24, 2026. Available at: https://www.federalregister.gov/documents/2026/06/24/2026-12750/enterprise-duty-to-serve-underserved-markets#h-17.

mandate, FHFA makes it clear that it desires a renewed focus on this area in light of the EO.

The Proposal seeks comments on potential changes to the definition of "manufactured home" (MH) to acknowledge the increasing importance of factory-built homes beyond HUD-code manufactured homes (such as modular homes). **MBA recommends that FHFA take a measured approach to expanding this definition.** As innovation in factory-built housing continues, financing and collateral policy should evolve alongside product innovation. Modernizing the manufactured housing definition is an important first step, but maximizing the effectiveness of the Duty to Serve program will also require continued attention to valuation practices, secondary-market execution, and operational considerations that affect lender participation.

While the definition should be broad enough to accommodate innovation in factory-built housing, it should also remain sufficiently targeted to preserve clear eligibility standards for Enterprise and lender execution**.** MBA recommends that any expansion of the definition be limited to factory-built housing types that meet established standards for permanent installation, real-property treatment, and secondary-market eligibility. Some emerging factory-built housing products may rely on ownership or titling structures that are not currently compatible with Enterprise purchase requirements. FHFA should ensure that any expanded definition remains focused on property types that the Enterprises can reliably finance and support through the secondary market. Further, FHFA should ensure that any expansions of the manufactured housing definition do not inadvertently scope in and change requirements for any existing property type that is already well-supported by the Enterprises.

Should FHFA choose to update the manufactured housing definition when finalizing the Proposal, MBA encourages the Agency to coordinate implementation with other ongoing federal initiatives affecting the manufactured housing market. Recent efforts by Congress, HUD, and the Enterprises all seek to expand access to affordable factory-built housing through different mechanisms. Aligning implementation timelines, terminology, and eligibility standards where appropriate can minimize operational complexity for lenders, reduce implementation costs, and accelerate market adoption.

MBA also encourages FHFA to recognize the operational challenges created by varying state titling laws and affixation requirements. As more manufactured homes are permanently installed on borrower-owned land, consistency between these laws and requirements and Enterprise eligibility standards will become increasingly important to reducing unnecessary transaction costs and improving access to sustainable mortgage financing.

As noted in the Proposal, FHFA seeks to streamline, simplify, and improve many administrative aspects of the Duty to Serve Rule and its implementation. MBA supports changes that will reduce administrative burdens and allow the Enterprises to better serve the DTS market segments. This proposal includes both new plan content requirements and new evaluation methods and represents a significant shift from the current DTS process, which will require an adjustment period. Once finalized, the Enterprises should have ample runway and opportunity to absorb the details of the new rule, address all questions and concerns, and make the necessary adjustments to their internal processes. As proposed, the new DTS regulation would shorten the public input window from 60 days to 45 days. **MBA recommends retaining the 60-day review period to allow for adequate time for industry feedback.**

The Proposal also seeks to drastically limit the Enterprises' ability to make changes to their submitted plans. It is important that the Enterprises adhere to their plans and the targets they set, and that they have no incentive to deviate from those plans without cause. However, market changes can affect the Enterprises' ability to carry out certain activities, particularly since the DTS plans are submitted for three-year periods, during which much can change. We recommend expanding the rationale for making plan changes. **In addition to "extraordinary and significant market disruptions" as proposed in the rule, FHFA or the Enterprises should be able to make requests to update submitted plans for specific market changes outside certain tolerances.** This process should be data-driven, and the party requesting plan changes should have an obligation to provide the appropriate support for the change.

Finally, we encourage FHFA to adopt a "do no harm" approach to ensure that the proposed rule does not lead to unintended consequences. While expectations regarding the Enterprises' ability to serve rural, manufactured housing, and affordable housing markets are not projected to change, FHFA should take steps to ensure that the new rule and its removal of prescribed activities, once implemented, have no material adverse effects. Careful consideration should be taken to ensure that many of the other proposed changes to the regulation, such as updated or removed definitions, or changes to the area median income calculation, have the intended impacts and do not pose operational challenges for lenders, particularly if these changes are applied to other FHFA programs in the future. **MBA recommends that FHFA include a process to compare the results of a new DTS regulation to previous outcomes to ensure that the program continues to carry out its intended mission and does not narrow the scope, impact, or effectiveness.**

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MBA once again thanks FHFA for the opportunity to comment on the Proposed Enterprise Duty to Serve Regulation. The proposal is a focused reworking of the form of the DTS regulations, which we generally support. If implemented appropriately, the newly proposed rule should allow for continued and improved support for manufactured housing, rural, and affordable housing markets. Simultaneously, the GSEs and FHFA should also benefit from improved administrative and oversight processes. It is important to note that the underlying obligations to promote manufactured, rural, and affordable housing remain and will be defined in each set of three-year plans. We look forward to working with FHFA, the Enterprises, and our members in the development and review of those plans.

Sincerely,

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