July 24, 2026

Clinton Jones
General Counsel
Federal Housing Finance Agency
400 Seventh Street SW
Washington, DC 20219
Submitted electronically via http://www.regulations.gov and RegComments@fhfa.gov

RE: Comments/RIN 2590-AB64 — Enterprise Duty to Serve Underserved Markets; Notice of Proposed Rulemaking (91 FR 37848, June 24, 2026)

Dear Mr. Jones:

On behalf of the South Dakota Native Homeownership Coalition, thank you for the opportunity to provide comments about the proposed *Enterprise Duty to Serve Underserved Markets* regulations.

Coalition Background

Since our creation in 2013, the South Dakota Native Homeownership Coalition has brought together a diverse group of 75 tribal, state, federal, nonprofit, and private sector stakeholders who are working to identify barriers, share innovative solutions, and leverage resources to create a clear path to homeownership for Native people in South Dakota.

Coalition participation results in a wide range of benefits for our members, including an enhanced understanding of barriers and innovative solutions; capacity building for practitioners; increased access to financial resources; direct contact with decision makers and program administrators; and opportunities to build trust among stakeholders working together to support Native homebuyers.

Collaborating with Fannie Mae and Freddie Mac (the Enterprises) has been an important part of our work over the past decade. While we appreciate the FHFA's desire to spur innovation in the new regulation, we are concerned that some of the proposed revisions may cause the

Enterprises to shift their focus away from Indian areas. This is especially troubling given the federal government's trust and treaty responsibilities to Tribal governments.

Barriers to Native Homeownership

As the Federal Register Notice acknowledges, "Indian areas pose unique challenges with land titling and lack of housing supply, among other things." The Coalition has identified the following obstacles to homeownership for Native individuals and families in South Dakota:

- ***Physical barriers, including lack of housing stock, infrastructure, and land issues.***

The lack of available housing stock is a tremendous barrier to Native homeownership in South Dakota. Even if families qualify for a mortgage, often, there are no homes available for purchase. "Starter homes" or "fixer-uppers" often found in other communities rarely exist in Native communities. In addition, the cost and general lack of infrastructure is also a tremendous barrier. Facilitating homeownership may also mean including the cost of new infrastructure and determining how infrastructure will be provided. Basic amenities and support systems found in off-reservation towns and cities often don't exist and need to be developed and financed. Because much of the land in Native communities is held in trust by the federal government, the process of accessing land for construction is complicated and time-consuming.

- ***Need to educate lenders, housing practitioners, tribal leaders, and the public.***

Often a lack of understanding about programs and resources – by individuals and practitioners -- is a barrier to homeownership. The perception that homeownership is not achievable, and barriers are insurmountable – by tribal leaders and the general public – is also a significant obstacle. Tied to land issues as an obstacle, many mortgage lenders incorrectly perceive lending on trust land as too risky. In practice, default, delinquency, and foreclosure rates are much lower on Tribal land than in other markets.

- ***Homebuyer readiness.***

Homebuyer readiness is a barrier to homeownership, on several levels. Potential homebuyers may not be ready for homeownership, or able to qualify for mortgage financing because of poor credit histories or no credit history. Potential homebuyers are often unfamiliar with the homebuying process, and the rights and responsibilities of homeownership. A lack of information about navigation the homebuying process – how to buy a home, especially on tribal land – is often a major impediment to homeownership.

- ***Lack of capital, lack of available down payment/closing costs, and loan product requirements.***

As the cost of housing materials, labor, and interest rates increase, affordability for Native homebuyers continues to be a challenge. Access to capital for housing development, subsidies, mortgage financing, and down payment assistance is limited in our Native communities in South Dakota, notwithstanding the strong demand for housing production of both homeownership and rental units.

- ***Policy impediments to homeownership.***

Stakeholders also recognized that existing policies (of federal, state, and tribal agencies, as well as lenders) may impede homeownership. For example, some policies that are designed for the homeownership process in urban communities or on non-trust land may not be applicable on tribal land. Also, some policies may exclude resources from Native homeownership developments because of the misperception that HUD's Indian Housing Block Grant program adequately funds the demand for housing development in Indian Country.

Recommendations

The Coalition is pleased to offer the following recommendations:

- **Retain the existing requirement for Regulatory Activity addressing high-needs rural populations, including members of federally recognized Indian Tribes.**

The proposed rule would eliminate the Regulatory Activity for "high-needs rural populations," which is currently the sole provision directing Enterprise attention to serving Native communities. FHFA reasons that adding Indian areas to the high-needs rural region definition ensures Native communities "are not overlooked." While we appreciate that intent, a geographic definition standing alone is not a substitute for an explicit regulatory obligation.

We strongly urge FHFA to retain the requirement for Regulatory Activity addressing high-needs rural populations, including members of federally recognized Indian Tribes, to ensure that Fannie Mae and Freddie Mac continue to develop products, partnerships, investments, and other targeted activities that respond to the unique legal, geographic, and economic barriers facing Tribal communities in Indian Areas.

For example, as part of their efforts to deliver the new HeritageOne loan product in Indian areas in South Dakota, Freddie Mac has collaborated with the Coalition to co-create an Appraisal Institute course on cost-based valuation, publish an Appraisal Market Study, pilot

NativeNest - an new NMLS database for homes on Tribal land, and support the development of a homeownership practitioner guide.

We are quite skeptical that this level of engagement from either of the Enterprises would continue if “members of federally recognized Tribes” were no longer included in required Regulatory Activity under “high-needs rural populations.”

- **Retain the existing requirement for Regulatory Activity for financing by small financial institutions.**

Native community development financial institutions (Native CDFIs) and small local lenders are a key source of mortgage financing on Tribal land in South Dakota. Native CDFIs are the boots on the ground who know their markets. They often collaborate with other lenders and federal agencies and are critical to helping homebuyers in Native communities to navigate through the complex homebuying process on Tribal land. Eliminating the Regulatory Activity for financing by small financial institutions of rural housing removes a benchmark that has encouraged Enterprise partnerships with these mission-driven lenders, without any replacement mechanism.

- **Expand the definition of “high-needs rural region” to include Indian areas and to fold high-needs rural regions into the definition of “rural area.”**

The Coalition supports the proposal to expand the definition of “high-needs rural region” to include Indian areas and to fold high-needs rural regions into the definition of “rural area.” Given the barriers to Native homeownership discussed above, embedding Indian areas in the regulatory definition of high-needs rural regions provides a durable geographic anchor for Enterprise attention, and we urge FHFA to retain this provision in any final rule.

We appreciate the opportunity to provide these comments and look forward to working with the Federal Housing Finance Agency to improve financing opportunities inspired by the Duty to Serve regulations to ensure that Native people continue to have access to homeownership financing no matter where they live, including on tribal land. Thank you for your consideration.

Sincerely,

Sharon Vogel

Sharon Vogel
Board Chair