MORTGAGE BANKERS ASSOCIATION

August 12, 2026

Mr. Clinton Jones
General Counsel
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

RE: Suspended Counterparty Program

Dear Mr. Clinton Jones:

The Mortgage Bankers Association[1] (MBA) thanks the Federal Housing Finance Agency (FHFA or the Agency) for the opportunity to comment on its proposed amendment to the Suspended Counterparty Program (SCP) regulation[2]. FHFA proposes to remove the term "reputational harm" to eliminate redundancy and affirm that FHFA's supervision of counterparty risk is based on material and measurable risks.

Under the current SCP rule, a proposed or final suspension order may be issued if a counterparty meets two criteria. First, they must engage in covered misconduct. Second, the covered misconduct must be likely to cause significant financial or reputational harm to a regulated entity or otherwise threaten the safe and sound operation of a regulated entity. As stated in the proposal, the current application of the SCP rule has demonstrated that the inclusion of "reputational harm" in the assessment criteria for a proposed or final suspension order creates redundancy because all covered misconduct inherently involves a risk of financial harm or potential threat to the safety and soundness of the regulated entities.

Eliminating reputational harm should not cause counterparties that committed covered misconduct to avoid suspension because those counterparties would still meet the financial

[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, "**Suspended Counterparty Program**" July 13, 2026. Available at: https://www.federalregister.gov/documents/2026/07/13/2026-14036/suspended-counterparty-program.

harm or safety and soundness risk criteria. In a hypothetical instance where the covered misconduct may not result in financial harm or safety and soundness risk, the lens of reputational harm would be too subjective and ill-defined, leading to ambiguous suspension determinations that cannot be supported by material or measurable risks.

MBA supports FHFA's ongoing efforts to continually improve the SCP rule. The proposed amendment should achieve FHFA's goal of ensuring the safety and soundness of the Enterprises and insulating FHFA-regulated entities from the risks posed by bad actors, without unnecessarily penalizing counterparties under an overly broad or ambiguous standard. Thank you for your ongoing partnership and attention to the Suspended Counterparty Program. We look forward to working with FHFA, the Enterprises, and our members on this and other housing issues.

Sincerely,

Justin Wiseman
Vice President
Residential Policy and Managing Regulatory Counsel
Mortgage Bankers Association