



Brad M. Bolton, *Chairman*  
Derek B. Williams, *Chairman-Elect*  
Lucas White, *Vice Chairman*  
Tim R. Aiken, *Treasurer*  
Sarah Getzlaff, *Secretary*  
Robert M. Fisher, *Immediate Past Chairman*  
Rebeca Romero Rainey, *President and CEO*

March 11, 2022

Sandra Thompson  
Acting Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> St. SW  
10<sup>th</sup> Floor  
Washington, DC 20219

RE: FHFA's Strategic Plan: Fiscal Years 2022-2026

Dear Acting Director Thompson,

The Independent Community Bankers of America (ICBA)<sup>1</sup> appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) Strategic Plan: Fiscal Years 2022-2026 (Strategic Plan or Plan). The Strategic Plan outlines three main objectives that align with FHFA's role as regulator and conservator of Fannie Mae and Freddie Mac (the Enterprises), including securing the safety and soundness of the Enterprises, fostering the housing finance markets by promoting equitable access to affordable and sustainable housing, and responsibly stewarding FHFA's infrastructure.

### ICBA Comments

---

<sup>1</sup> The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. ICBA is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

With nearly 50,000 locations nationwide, community banks constitute roughly 99 percent of all banks, employ nearly 700,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding nearly \$5.9 trillion in assets, over \$4.9 trillion in deposits, and more than \$3.5 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers' dreams in communities throughout America. For more information, visit ICBA's website at [www.icba.org](http://www.icba.org).

*The Nation's Voice for Community Banks.®*

WASHINGTON, DC  
1615 L Street NW  
Suite 900  
Washington, DC 20036

SAUK CENTRE, MN  
518 Lincoln Road  
P.O. Box 267  
Sauk Centre, MN 56378

866-843-4222  
[www.icba.org](http://www.icba.org)

ICBA supports FHFA’s actions that ensure the safety and soundness of the Enterprises by setting appropriate supervisory expectations regarding capital requirements, credit risk standards, pricing, and others. We also support efforts that promote sustainable, equitable, and affordable access to mortgage credit by expanding the housing supply and adhering to FHFA’s statutory mission to foster a liquid, efficient, competitive, and resilient housing finance system. Together with the recently finalized Enterprise Regulatory Capital Framework (ERCF), this Plan represents a crucial step toward allowing the Enterprises to achieve capital levels commensurate with their respective risk profiles and activities – a goal ICBA has long argued is a prerequisite for the safety and soundness of the housing system and for responsibly releasing the Enterprises from a conservatorship lasting nearly fourteen years.

However, ICBA is greatly concerned about the lack of discussion in the Strategic Plan regarding the status of conservatorship for the Enterprises. This omission contradicts FHFA’s Strategic Plan: Fiscal Years 2021-2024, which made it explicit that an eventual exit from conservatorship is a necessary component of safety and soundness and will further shield the taxpayer in the event of a financial downturn.<sup>2</sup> Moreover, the 2021-2024 plan noted that FHFA “must take steps to prepare for its post-conservatorship role as a world-class regulator” while outlining “critical milestones that will guide FHFA’s efforts to ensure that its supervision and regulation of the Enterprises is strong and well-executed once outside the framework of conservatorship.”<sup>3</sup> The proposed Strategic Plan suggests that FHFA is now planning for a continuation of the status quo for the foreseeable future, until or even beyond when the Enterprises satisfy the requirements of the ERCF – potentially a time horizon of more than a decade.

We therefore strongly urge FHFA not to deviate from the elements of the 2021-2024 Strategic Plan that chart out a path from conservatorship, as mandated by the Housing and Economic Recovery Act of 2008 (HERA). ICBA has long called on FHFA to develop a responsible roadmap

---

<sup>2</sup> <https://www.fhfa.gov/AboutUs/Reports/Pages/FHFA-Strategic-Plan-Fiscal-Years-2021-2024.aspx>

<sup>3</sup> Ibid, p. 1.

to release the Enterprises from conservatorship, contingent on adequate capital and risk levels, and provided they are prepared to fulfill their missions in a post-conservatorship environment. We also ask FHFA to explain its analysis and reasoning regarding the changed regulatory priorities and whether it carefully considered the risks of a perpetual conservatorship to taxpayers and the precedent it sets going forward. We are concerned that this significant and unexplained shift will only create further regulatory uncertainty and instability for all stakeholders.

ICBA looks forward to working with FHFA on this issue going forward. If you have any questions regarding the content of this letter, please contact the undersigned at [tim.roy@icba.org](mailto:tim.roy@icba.org).

Sincerely,

Tim Roy  
AVP – Housing Finance Policy

*The Nation's Voice for Community Banks.*<sup>®</sup>

WASHINGTON, DC  
1615 L Street NW  
Suite 900  
Washington, DC 20036

SAUK CENTRE, MN  
518 Lincoln Road  
P.O. Box 267  
Sauk Centre, MN 56378

866-843-4222  
[www.icba.org](http://www.icba.org)