

Clinton Jones, General Counsel
Attention: Comments/RIN 2590-AB59
Federal Housing Finance Agency
400 Seventh Street SW
Washington, DC 20219

Re: 2026-2028 Enterprise Housing Goals

November 3, 2025

To Whom It May Concern,

The undersigned organizations thank the Federal Housing Finance Agency for the opportunity to comment on the proposed 2026-2028 Enterprise Housing Goals.¹

Congress passed the Affordable Housing Goals (AHGs) in the 1992 Safety and Soundness Act and updated them in the 2008 Housing and Economic Recovery Act, as a key tool to keep Fannie Mae and Freddie Mac focused on their public mission. Congress defined this mission as “an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purpose, while maintaining a strong financial condition and a reasonable economic return.”² This public mission is integral to the Enterprises and their charter as government-sponsored enterprises (GSEs). When establishing the Affordable Housing Goals, moreover, Congress specifically directed FHFA to set annual targets that considered “the ability of the enterprises to lead the industry in making mortgage credit available.”³

The undersigned organizations express deep concern that FHFA’s proposed 2026-2028 Enterprise Housing Goals will take away affordable mortgages for up to 177,000 lower- to moderate-income families over the next three years, worsening the housing affordability crisis and fueling deeper racial and socioeconomic inequalities in who can access credit and become a first-time homeowner.

Our key concerns, discussed in-depth below, include:

- 1. FHFA’s proposed rule will take away GSE-backed mortgage access from up to 177,000 lower- to moderate-income families over the next three years.**

¹ “2026-2028 Enterprise Housing Goals,” 90 FR 47632 (October 2, 2025).

<https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>

² 12 U.S.C. 4501(7).

³ 12 U.S.C. § 4562

In the proposed rule, FHFA steeply lowers the low-income and very low-income home purchase goals, setting new benchmarks well below expected (and historical) primary market delivery of these loans. According to FHFA’s own regulatory impact analysis, these sharply reduced housing goals would enable Fannie Mae and Freddie Mac to purchase up to 59,000 fewer affordable mortgages each year, which means that up to 177,000 families may lose access to GSE-backed mortgages over the next three-year cycle of 2026-2028.⁴

Without Fannie Mae and Freddie Mac purchasing these loans, lenders will likely stop making them. The undersigned organizations strongly oppose this change, as it will make our affordable and fair housing crisis worse.

2. FHFA’s proposed rule will reduce mortgage access in communities of color nationwide and deepen racial and socioeconomic disparities in homeownership.

In the proposed rule, FHFA seeks to collapse the previously separate “Low-Income Census Tracts Home Purchase Subgoal” and the “Minority Census Tracts Home Purchase Subgoal” into one new overarching subgoal. We express serious concern about this goal combination, as we expect that the Enterprises will pursue the easiest, most profitable loans to meet the new combined target, at the expense of lower-income borrowers, especially those in minority census tracts. We expect that the GSEs will purchase up to 88,000 fewer loans in minority census tracts over the next three years, due to this change.⁵

The undersigned organizations strongly oppose this change, as this change would deepen racial disparities in which borrowers and communities have access to mortgages. This proposed change undermines the Enterprises’ mandate to adequately and fairly serve communities of color.

3. The proposed rule and regulatory impact analysis are contradictory and based on misleading or insufficient data. Without adequate data-driven justifications, these lowered benchmarks contradict Congressional intent.

Congress explicitly directed the Enterprises to “lead the industry in making mortgage credit available” through these goals.⁶ The proposed regulation, however, sets single-family home

⁴ This estimate is based on 2024 Fannie Mae and Freddie Mac purchase numbers (latest data available), taking the expected purchased mortgages under the 2025 purchase goals as baseline, and comparing the expected reduction given proposed 2026-2028 goals. See Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule (p. 10). Federal Housing Finance Agency. <https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-entepriase-housing-goals-proposed-rule-regulatory-impact-analysis.pdf>

⁵ See in-depth analysis later in the letter We calculated a 16 percent reduction of Fannie Mae and Freddie Mac’s 2024 performance on the Minority Census Tracts Home Purchase Subgoal over 2026-2028. “2026-2028 Enterprise Housing Goals,” 90 FR 47649 (October 2, 2025).

⁶ 12 U.S.C. § 4562

purchase and census tract goals *well below* historical and expected primary market mortgage delivery. FHFA proposes these changes without adequate justifications based on data. The current analysis is too incoherent to justify the drastic changes that FHFA seeks to apply. The undersigned organizations recommend that FHFA conducts further analysis, economic impact, and scenario planning *before* it makes any recommendations and changes.

In January 2025, President Trump signed an Emergency Order directing agencies to “lower the cost of housing,” given that “many Americans are unable to purchase homes due to historically high prices.”⁷ The current proposed rule goes directly against that mandate, by making it even harder for working families across the country to get a competitive, affordable mortgage. We strongly recommend that FHFA retract the proposed 2026-2028 Enterprise Housing Goals.

I. Why the Affordable Housing Goals Matter

The United States is in the middle of a fair and affordable housing crisis. Renters, homebuyers, and homeowners are facing record-breaking housing costs and safe, stable, and affordable housing is increasingly out of reach for many families.⁸

According to the Harvard Joint Center for Housing Studies, in 2023, 22.6 million renters were cost-burdened, paying more than 30 percent of their income on housing expenses. In addition, 12.1 million renter households are severely cost-burdened, spending over half of their income on housing.⁹ High housing costs are straining families’ abilities to pay for basic needs such as food and healthcare. Wages have not kept pace with the significant increase in rents. According to the National Low Income Housing Coalition’s “Out of Reach” report, 17 of the 25 most common occupations in the United States pay median wages *less* than the one- and two-bedroom housing wages (the wages needed to afford a modest rental home at HUD’s Fair Market Rent).¹⁰

This housing crisis is not limited to families with the lowest incomes. Single-family home prices have grown faster than median incomes in almost all metro areas, making it very difficult for

⁷ Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis. (January 2025). The White House. <https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/>

⁸ Joint Center for Housing Studies of Harvard University, *The State of the Nation’s Housing 2024* (2024), https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf.

⁹ *The State of the Nation’s Housing 2025*. (2025). Joint Center for Housing Studies of Harvard University. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2025.pdf

¹⁰ Out of Reach. (2025). National Low Income Housing Coalition. <https://nlihc.org/oor>

first-time homebuyers to make the jump from renter to homeowner.¹¹ Homeownership has become out of reach for too many working families, including the lower-to-moderate income families targeted by the Affordable Housing Goals.¹²

This affordable housing crisis is aggravated by our fair housing crisis. The Black-white homeownership gap remains as wide as it was before passage of the Fair Housing Act in 1968.¹³ In 2024, the white homeownership rate was 60 percent higher than the Black homeownership rate, 52 percent higher than the Latino homeownership rate, and 19 percent higher than the Asian, Native Hawaiian and Pacific Islander rate.¹⁴

As government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac each have a statutory obligation to make mortgage finance broadly available in all communities.¹⁵ (See Appendix A for a more detailed description of the Enterprises' statutory obligations). Congress passed the Affordable Housing Goals to keep Fannie Mae and Freddie Mac accountable to pursuing that mission and to ensure a mission-focus would inform their core business model and product offerings. Every three years, FHFA sets benchmarks to ensure that the Enterprises also meet housing finance needs in the nation's underserved markets, including lower- to moderate-income families and neighborhoods. The Affordable Housing Goals help ensure that the Enterprises adequately serve these borrowers, not only the easiest or most profitable ones.

For example, research by the Urban Institute showed that the Affordable Housing Goals positively impacted mortgage access for lower- to moderate-income families in its first decade of existence (1993-2002) and lowered interest rates in markets where Fannie Mae and Freddie Mac

¹¹ Whitney, Peyton. "Home Prices Surge to Five Times Median Income, Nearing Historic Highs." (2025). Joint Center for Housing Studies of Harvard University. <https://www.jchs.harvard.edu/blog/home-prices-surge-five-times-median-income-nearing-historic-highs>

¹² The State of the Nation's Housing 2025. (2025). Joint Center for Housing Studies Harvard University. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2025.pdf Profile of Home Buyers and Sellers 2024. (2024). National Association of Realtors. https://www.nar.realtor/sites/default/files/2024-11/2024-profile-of-home-buyers-and-sellers-highlights-11-04-2024_2.pdf

¹³ 2025 Snapshot of Race and Homebuying in America. (2025). National Association of Realtors. https://cms.nar.realtor/sites/default/files/2025-03/2025-snapshot-of-race-and-home-buying-in-america-03-17-2025.pdf?_gl=1*1j5wexp*_gcl_au*MTgxODA3OTc4NC4xNzQ4NzE3NDM2.

¹⁴ The State of Equitable Homeownership. (2025). National Fair Housing Alliance. <https://nationalfairhousing.org/wp-content/uploads/2023/04/The-State-of-Equitable-Homeownership-2025-FINAL.pdf>.

¹⁵ Federal Housing Enterprises Financial Safety and Soundness Act of 1992, Pub. L. No. 102-550, 106 Stat. 3941 (1992). <https://www.congress.gov/bill/102nd-congress/house-bill/6094>

had a significant presence.¹⁶ The Congressional Budget Office estimates that an estimated 750,000 homebuyers in 2025 will benefit from having a goal-eligible mortgage.¹⁷

Who benefits from the Affordable Housing Goals? Borrowers served by the Affordable Housing Goals are working families, including many families who would consider themselves middle-class. Data from the National Housing Conference’s Paycheck to Paycheck database offer insights on what workers typically make less than 80 percent of their area’s median income.¹⁸ For example, carpenters in 249 metro areas make less than 80 percent of the area median income – with a median salary of \$59,310 nation-wide. Firefighters in 219 metro areas make less than 80 percent of area median income, including in cities such as Phoenix, Albuquerque, and Birmingham. Homebuyers who currently benefit from goal-eligible mortgages also include real estate agents, insurance sale agents, paralegals, and paramedics. FHFA seeks to take away affordable mortgage access from many of these families.

Table 1: Some Typical Workers Nationwide Affected by FHFA’s Proposed Change

Occupation	# of Cities Where These Workers Make < 80% AMI	Example Cities	National Median Salary
Carpenters	249	Atlanta, Salt Lake City, Tampa Bay	\$59,310
Construction Laborers	359	Anchorage, Cincinnati, Green Bay	\$46,730
Firefighters	219	Albuquerque, Birmingham, Phoenix	\$59,530
Insurance Sales Agents	207	Lincoln, Oklahoma City, St. Louis	\$60,370
Paralegals and Legal Assistants	270	Chattanooga, Jacksonville, Philadelphia	\$61,010
Paramedics	175	Akron, Houston, Providence	\$58,410
Pharmacy Technicians	381	Baton Rouge, Dayton, Minneapolis	\$43,460
Plumbers, Pipefitters, and Steamfitters	143	Bismarck, Los Angeles, Reno	\$62,970
Postal Service Mail Carriers	190	Atlantic City, Flagstaff, Indianapolis	\$57,490
Real Estate Sales Agents	231	Columbus (OH), Dallas, Provo	\$56,320

Notes: Cities refer to Metropolitan Statistical Area (MSAs). Any occupation is counted as covered by the Affordable Housing Goals in cities where the occupation's median annual salary in MSA is ≤ 80% of median family income in MSA.

Source: Paycheck to Paycheck database by the National Housing Conference.

¹⁶ Ambrose, B., Thibodeau, T., & Temkin, K. (May 2002). An Analysis of the Effects of the GSE Affordable Goals on Low- and Moderate-Income Families. U.S. Department of Housing and Urban Development.

<https://www.huduser.gov/publications/pdf/gsegoals.pdf>

¹⁷ Fannie Mae and Freddie Mac’s Housing Goals. (November 2024). Congressional Budget Office.

<https://www.cbo.gov/publication/60978>

¹⁸ Paycheck to Paycheck. (2025). National Housing Conference. <https://nhc.org/paycheck-to-paycheck/>

II. Summary of FHFA’s Proposed Changes

In the 2026-2028 Enterprise Housing Goals proposed rule, the multifamily and refinance housing goals remain unchanged from the targets last set through the rulemaking process in 2024. The multifamily goals are particularly important in addressing the affordable rental housing crisis, which includes the GSEs making affordable financing available for multifamily rental properties. The GSEs must maintain robust and meaningful multifamily housing goals to carry out their responsibility of providing affordable and sustainable rental opportunities across the United States.

The proposed changes all target the purchase goals for mortgages used by owner-occupant homebuyers of single-family homes.

Table 2: Overview of Key Proposed Changes to Purchase Benchmarks

Changing Goals	Criteria	Current benchmark	Proposed benchmark 2026-2028	Market performance 2023 (last year available)
Low-Income Home Purchase Goal	Home purchase mortgages to borrowers <= 80% of AMI	25%	21%	26.3%
Very Low-Income Home Purchase Goal	Home purchase mortgages to borrowers <= 50% of AMI	6%	3.5%	6.5%
Low-Income Areas Home Purchase Subgoal	New re-combined subgoals. Home purchase mortgages to: • Borrowers in census tracts with tract median income of <= 80% of AMI OR • Borrowers with income no greater than 100% AMI in census tracts where (i) tract income is less than 100% AMI, and (ii) minorities comprise at least 30% of the tract population	Low-income Census Tract: 4% Minority Census Tract: 12%	16%	Low-Income Census Tract: 9.8% Minority Census Tract: 12.5%

Source: FHFA’s 2026-2028 Enterprise Housing Goals and 2024 Final Rule 2025-2027 Enterprise Housing Goals .

Table 2 summarizes key proposed changes. FHFA seeks to lower the low-income home purchase goal from the current 25 percent benchmark to 21 percent for 2026-2028. This change

is proposed despite a 26.3 percent market delivery of loans on this goal in 2023.¹⁹ FHFA also proposed reducing the very low-income home purchase goal from the current 6 percent benchmark (and 6.5 percent market performance in 2023), to a low of 3.5 percent for 2026-2028.

Moreover, the proposed rule seeks to collapse the now-separate “Low-Income Census Tracts Home Purchase Subgoal” and the “Minority Census Tracts Home Purchase Subgoal” into one new combined subgoal. The 2024 Final Rule on Enterprise Housing Goals set the Low-Income Census Tracts subgoal at 4 percent. As this goal only sets maximum income requirements for tracts but not borrowers, FHFA set this subgoal low given concerns that it could inadvertently fuel gentrification.²⁰ This subgoal had a market performance of 9.8 percent in 2023. The previous rule set the Minority Census Tracts subgoal at 12 percent, while it had a market performance of 12.5 percent in 2023. In the proposed rule, FHFA seeks to add up the previously set benchmark percentages into one overarching goal of 16 percent.

Finally, FHFA also seeks to remove measurement buffers, which were established in the 2025-2027 Final Rule on Enterprise Housing Goals to better account for uncertainties regarding market performance throughout the year (i.e. the Enterprises do not know the final market level until well after the year).²¹ These buffers allowed the Enterprises to meet the lowest of either the benchmark levels or final market level. FHFA now seeks to remove these buffers, partly as it is setting new single-family goal levels well below expected market levels.

III. Key Concerns of Proposed Rule

1. FHFA’s proposed rule will take away GSE-backed mortgage access from up to 177,000 lower- to moderate-income families over the next three years.

In the proposed rule, FHFA steeply lowers the low-income and very low-income home purchase goals, setting new benchmarks well below historical and expected primary market delivery of these loans. These goals direct the Enterprises to purchase loans that serve owner-occupant, single-family homebuyers making less than 80 percent and less than 50 percent, respectively, of their area’s median income.

According to FHFA’s own regulatory impact analysis, these sharply reduced housing goals would enable Fannie Mae and Freddie Mac to purchase up to 59,000 fewer affordable mortgages

¹⁹ Meaning that in 2023, 26.3 percent of loans across the primary origination market went to homebuyers making 80 percent area median income or less. Data for 2023 is the last year available.

²⁰ “2025–2027 Enterprise Housing Goals,” 89 FR 106259 (December 30, 2024).
<https://www.federalregister.gov/documents/2024/12/30/2024-30793/2025-2027-enterprise-housing-goals>

²¹ “2025–2027 Enterprise Housing Goals,” 89 Fed. Reg. 70,129 (August 29, 2024).
<https://www.federalregister.gov/documents/2024/12/30/2024-30793/2025-2027-enterprise-housing-goals>

each year, which means that up to 177,000 families may lose access to GSE-backed mortgages over the next three-year cycle of 2026-2028.²²

Without Fannie Mae and Freddie Mac purchasing these loans, lenders will likely stop making them. Working families all around the United States will be affected. As detailed earlier in this letter, buyers making less than 80 percent of their area’s median income, for example, include firefighters in Phoenix, insurance agents in Oklahoma City, and paramedics in Houston: all workers who drive local economies across the country, while struggling to find affordable housing today. FHFA’s rule would take away GSE-backed mortgages and limit first-time homebuying opportunities for hundreds of thousands of families that see themselves as middle-class: the very constituents that FHFA claims to care about.²³

By lowering these housing goals, FHFA gives Fannie Mae and Freddie free reign to abandon these borrowers in pursuit of purchasing the most profitable loans. Under the current loan-level price adjustment (LLPA) framework, for example, the most profitable loans commanding the highest g-fees are those made to investors and second-home buyers: all “mission-remote” loans that have nothing to do with the Enterprises’ Congressional charter.²⁴ Purchasing more loans for vacation homes rather than first-time homebuyers might boost Fannie Mae’s and Freddie Mac’s profits, but will only make our housing crisis worse. The undersigned organizations strongly oppose this change, as it will make conventional mortgages less available to everyday working families.

The estimated 177,000 families affected by this change will either be left with more expensive and less competitive mortgage finance alternatives or be priced out of homeownership altogether.

In its rulemaking, FHFA notes that buyers may turn to VA and USDA products as alternatives. We think this is unlikely, as VA and USDA serve highly specialized populations – including deeply low-income rural buyers in the case of USDA – who in most cases, will already rely on these products rather than Enterprise mortgage products: we expect that few affected families will elect a VA loan as a second-choice for example, after being excluded by lenders for

²² This estimate is based on 2024 Fannie Mae and Freddie Mac purchase numbers (latest data available), taking the already moderate 2025 purchase goals as benchmark, and comparing the expected reduction given proposed 2026-2028 goals. *See Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule* (p. 10). Federal Housing Finance Agency. <https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-enterprise-housing-goals-proposed-rule-regulatory-impact-analysis.pdf>

²³ “2026-2028 Enterprise Housing Goals,” 90 FR 47639-47640 (October 2, 2025).

<https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>

²⁴ Sharon Cornelissen, “The Trump Administration Is Making it Even Harder to Get a Mortgage: How the Federal Housing Finance Agency is Abandoning Affordability In a Housing Crisis,” (2025). Consumer Federation of America. <https://consumerfed.org/the-trump-administration-is-making-it-even-harder-to-get-a-mortgage-how-the-federal-housing-finance-agency-is-abandoning-affordability-in-a-housing-crisis/>

conventional products. Instead, we expect that most of the affected families will have to turn to FHA mortgages.

In its regulatory impact analysis, FHFA claims that FHA mortgages will be “cheaper” for these borrowers.²⁵ This is inaccurate and deceptive: FHFA’s analysis only compares average interest rates across loan products, which tend to be lower given the explicit government guarantee of Ginnie Mae-products. This incomplete comparison misses that FHA mortgages require borrowers to pay upfront (1.75 percent of the loan amount) and annual Mortgage Insurance Premiums (MIP) of 55-basis points (0.55 percent) for the life of the loan.²⁶ This means that for almost all borrowers who can qualify for a conventional mortgage, FHA mortgages are a more expensive alternative. Moreover, not all homebuyers affected by this proposed change will be able to turn to mortgage alternatives. Given the higher costs of many financing alternatives, some homebuyers will be priced out of homeownership altogether.

Paired with the Administration’s deep cuts to HUD, severely limiting the mortgage options for lower-to-moderate income homebuyers and shifting them all to FHA, is also a particularly worrisome trend. The Federal Housing Administration has faced staffing cuts alongside most of HUD and “affordable and fair” lending has not emerged as an Administration priority within HUD either. Research has found that FHA mortgages are also less competitive, especially in tight housing markets.²⁷ FHA borrowers are routinely blocked out from the most popular housing markets and often lose out when bidding against conventional and cash offers. This means that FHA is a less attractive alternative for many homebuyers who have the option of conventional financing: an option that FHFA now seeks to take away for many borrowers.

2. FHFA’s proposed rule will reduce mortgage access in communities of color nationwide and deepen racial disparities in homeownership.

In the proposed rule, FHFA seeks to collapse the previously separate “Low-Income Census Tracts Home Purchase Subgoal” and the “Minority Census Tracts Home Purchase Subgoal” into one new combined subgoal. We express serious concern about this goal combination.

The Low-Income Census Tract subgoal targets census tracts with tract median incomes of 80 percent AMI or lower, but does not specify maximum incomes for borrowers. FHFA previously set low targets for this subgoal, to prevent fueling gentrification by making credit more widely

²⁵ Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule (p. 15). Federal Housing Finance Agency. <https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-enteprise-housing-goals-proposed-rule-regulatory-impact-analysis.pdf>

²⁶ Jones, Katie. FHA-Insured Home Loans: An Overview. (2022). Congressional Research Service. <https://www.congress.gov/crs-product/RS20530>

²⁷ Cornelissen, S., & Harris, A. (August 2024). Outcompeted: Challenges of FHA Buyers in Tight Housing Markets. Consumer Federation of America. <https://consumerfed.org/reports/outcompeted-challenges-of-fha-buyers-in-tight-housing-markets/>

available for higher-income borrowers in lower-income communities.²⁸ Despite this low goal target, Fannie Mae and Freddie Mac significantly overperformed on this goal in 2022 and 2023.

The Minority Census Tract subgoal targets borrowers making less than 100 percent AMI who are buying in census tracts with tract median incomes of 100 percent AMI or lower, *and* where 30 percent or more of residents are minorities.

By putting these two subgoals together, we expect that the Enterprises will pursue the easiest, most profitable loans to meet the new combined target. Consequently, this change incentivizes the Enterprises to purchase mortgages for higher-income buyers in lower-income communities, while retreating mortgage support for lower-income borrowers – especially those in minority communities.

In its regulatory impact analysis, FHFA highlights that it expects this change, noting that it “assumes an approximately 16 percent reduction in minority census tract-qualifying Enterprise acquisitions under the proposed rule.”²⁹ Based on 2024 performance, we expect that the GSEs will purchase up to 88,000 fewer loans in minority census tracts over the next three years, due to this change.³⁰ This proposed rule follows earlier actions that FHFA has taken to undermine access to fair and affordable housing, such as FHFA directing Fannie Mae and Freddie Mac to “terminate Special Purchase Credit Programs supported by the Enterprises” and the rollback of Equitable Housing Finance Goals (*See Appendix B* for an overview). Without Fannie Mae and Freddie Mac purchasing these loans, we expect that lenders will originate fewer mortgages in minority census tracts.

The undersigned organizations strongly oppose this change, as this change would deepen racial disparities in which borrowers and communities have access to mortgages. Reducing the number of mortgages originated in minority communities would also aggravate the long-standing racial homeownership gap: only 44.7 percent of Black families are homeowners today, compared to 72.4 percent of white families.³¹ FHFA’s proposed rule fails to meet the agency’s chartered and statutory fair housing requirements. Rather than affirmatively furthering fair housing, FHFA

²⁸ “2025–2027 Enterprise Housing Goals,” 89 FR 106259 (December 30, 2024).

<https://www.federalregister.gov/documents/2024/12/30/2024-30793/2025-2027-enterprise-housing-goals>

²⁹ Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule (p. 10). Federal Housing Finance Agency. <https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-enterprise-housing-goals-proposed-rule-regulatory-impact-analysis.pdf>

³⁰ We calculated a 16 percent reduction of Fannie Mae and Freddie Mac’s 2024 performance on the Minority Census Tracts Home Purchase Subgoal over 2026-2028. “2026-2028 Enterprise Housing Goals,” 90 FR 47649 (October 2, 2025).

³¹ Black Homeownership Rate Sees Largest Annual Increase Among Racial Groups But Still Trails White Homeownership Rate by Almost 30 Percentage Points. (March 2025). National Association of Realtors. <https://www.nar.realtor/newsroom/black-homeownership-rate-sees-largest-annual-increase-among-racial-groups-but-still-trails-white-homeownership-rate>

explicitly directs Fannie Mae and Freddie Mac to pull back from lending in minority communities.

The change also makes it harder for the public, FHFA, and Congress to track how well the Enterprises are supporting mortgage access in minority communities, and to hold Fannie Mae and Freddie Mac accountable to their affirmative obligation to support fair housing.

Even within Low-Income Areas generally, we expect that the newly combined subgoal will miss its purpose of adequately serving lower-to-moderate income borrowers. After all, the subgoal targeting low-income census tracts (≤ 80 percent AMI tract income), offers no borrower income restrictions. As a result, the newly combined area subgoal may end up supporting homeownership opportunities for already-wealthy homebuyers, at the expense of many lower-income and minority homebuyers.

NCRC's 2024 Mortgage Market Report, using HMDA data definitions that distinguish between low-income (below 50 percent AMI) and moderate-income (50-80 percent AMI) census tracts, documents that upper-income borrowers already dominate lending in both kinds of places.³² In low-income tracts, 28 percent of loans went to upper-income borrowers and 32 percent to middle-income borrowers. In moderate-income tracts, 39 percent went to upper-income borrowers and 35 percent to middle-income borrowers. Under the GSE housing goals, both tract types are classified together as low-income census tracts (≤ 80 percent AMI). The consolidated goal allows GSEs to meet a much larger share of their benchmark (16 percent versus the previous 4 percent) through these “gentrifier” loans. This means that under the proposed rule, Fannie Mae and Freddie Mac can get more regulatory credit for financing wealth accumulation by already-affluent buyers rather than for expanding homeownership opportunities for lower-income households.

3. FHFA’s proposed rule and regulatory impact analysis are contradictory and based on misleading or insufficient data. Without adequate data-driven justifications, these lowered benchmarks contradict Congressional intent.

Congress explicitly directed the Enterprises to “lead the industry in making mortgage credit available” through these goals.³³ The proposed regulation, however, sets single-family home purchase and census tract goals *well below* historical and expected primary market mortgage delivery. In effect, FHFA directs Fannie Mae and Freddie Mac to underperform on serving affordable housing needs compared to the market: a change that we expect will lower primary

³² Richardson, Jason. Lending Trends by Borrower and Neighborhood Characteristics. (2025). National Community Reinvestment Coalition. <https://ncrc.org/mortgage-market-report-series-part-2-lending-trends-by-borrower-and-neighborhood-characteristics/>

³³ 12 U.S.C. § 4562

market delivery of these loans too. FHFA proposes these changes without adequate and coherent justifications based on data.

The proposed rule and accompanying regulatory impact analysis are full of contradictory claims. For example, in the regulatory impact analysis FHFA states that it expects that “the Enterprises will acquire goal-eligible mortgages of a similar magnitude that would have been acquired under the alternative.”³⁴ However, all justification that FHFA offered for changes in the single-family purchase goals point toward the opposite outcome. For example, in the proposed rule FHFA writes that as “the Enterprises often expect lower returns on mortgage loans for low- and moderate-income families,” it expects that Fannie Mae and Freddie Mac will purchase fewer of these loans without an express obligation to do so.³⁵ Both outcomes cannot be true at the same time. FHFA should honestly explore the scenario of supporting up to 177,000 fewer families with Enterprise-backed mortgages over the next three years, and how this will impact families and communities all over the United States.

FHFA also relies on misleading and insufficient data when it offers rationales for its proposed changes to the Affordable Housing Goals. For example, a key justification for the rule-change hinges on the strong claim that lenders “have turned away middle-class borrowers or increased prices on middle-class borrowers in pursuit of meeting housing goals.”³⁶ However, the only evidence cited is “anecdotal feedback,” including anonymous hearsay by lenders and an unnamed trade association. In the rule-making, FHFA admits it has no data-driven evidence, writing: “FHFA is not aware of a data source that would quantify the trends illustrated by these examples.”³⁷ FHFA should not make significant regulatory changes, which could have economic consequences for hundreds of thousands of families, based on hearsay and unsubstantiated speculation.

Independent regulators should not set regulations based on personal judgments and politicized feelings about who deserves access to affordable homeownership: rather, they should apply the laws as set by Congress. The current analysis is insufficient and too incoherent to justify the changes that FHFA seeks to apply. Given the insufficient data justifications and lack of evidence, the undersigned organizations recommend that FHFA conducts further analysis, economic impact, and scenario planning *before* making changes to the Affordable Housing Goals.

³⁴ Significant Regulatory Action Assessment and Regulatory Impact Analysis for 2026-2028 Enterprise Housing Goals Proposed Rule (p. 10). Federal Housing Finance Agency. <https://www.fhfa.gov/sites/default/files/2025-10/2026-2028-enterprise-housing-goals-proposed-rule-regulatory-impact-analysis.pdf>

³⁵ “2026-2028 Enterprise Housing Goals,” 90 FR 47,645 (October 2, 2025). <https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>

³⁶ “2026-2028 Enterprise Housing Goals,” 90 FR 47,632 (October 2, 2025). <https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>

³⁷ “2026-2028 Enterprise Housing Goals,” 90 FR 47,639, footnote 47 (October 2, 2025). <https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>

IV. Conclusion

The United States is in the middle of a fair and affordable housing crisis. Yet, at this critical time, FHFA seeks to make it even harder for working families to get a mortgage. Congress established the Affordable Housing Goals to ensure that Fannie Mae and Freddie Mac fulfill their public mission. As Government-Sponsored Enterprises, the Enterprises are unlike private companies: they receive unique tax exemptions and government benefits as part of their charter. In exchange, Congress expects them to provide liquidity and stability to the mortgage market while also serving specific underserved markets and homebuyers. Currently, Fannie Mae and Freddie Mac are controlled by U.S. taxpayers, as they have been in conservatorship since 2008. However, whether in or outside of conservatorship, they will maintain this Congressional charter and public mission.

In this proposed rule, FHFA seeks to lower the single-family goals to the point where they no longer represent goals to aim for, but instead give Fannie Mae and Freddie Mac license to abandon their public mission and pull back from supporting lower- and moderate-income homebuyers. We expect that as a result of this rule, FHFA will take away affordable mortgage access from up to 177,000 working families nation-wide over the next three years. Moreover, as part of this reduction, we expect that the GSEs will support up to 88,000 fewer mortgages in minority communities.

By withdrawing affordable mortgage access for working families, FHFA abandons the country during this housing crisis. This proposed change will leave many families with only less competitive and pricier mortgage alternatives, while some of them will be priced out of homeownership altogether. This Administration seeks to “solve” our housing crisis by limiting homeownership opportunities for all but the wealthy, rather than being part of the solution and expanding housing supply and credit access hand-in-hand. By explicitly withdrawing mortgage support in minority communities, FHFA’s Proposed Rule also fails to meet the agency’s chartered and statutory fair housing requirements.

We recommend that FHFA retracts this proposed rule and maintains the single-family housing goals and low-income area housing goals last established in 2024 for the 2025-2027 three-year cycle. We also recommend that FHFA conducts further data-driven analysis of the impact of the Affordable Housing Goals, before it makes further recommendations.

Thank you for your consideration. For any questions, please reach out to Sharon Cornelissen (scornelissen@consumerfed.org).

The undersigned organizations,

National Organizations:

Americans for Financial Reform Education Fund
Center for Economic Justice
Consumer Action
Consumer Advocates Against Reverse Mortgage Abuse (CAARMA)
Consumer Federation of America
Consumer Reports
Integrated Community Solutions, Inc.
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low-income clients)
National Fair Housing Alliance
National Housing Law Project
National Low Income Housing Coalition
National Urban League
UnidosUS

State/Local Organizations:

Center for Economic Integrity
Colorado Fiscal Institute
Community Economic Empowerment Network
DevNW
Georgia Watch
Homestead Resources
Indiana Community Action Association
Indianapolis Urban League, Inc.
Metropolitan Interfaith Council on Affordable Housing (MICAHA)
New Jersey Citizen Action
Our Spring Lake Store, LLC
Prosperity Indiana
Virginia Citizens Consumer Council

Appendix A - FHFA and the Enterprises' Legal Duty to Ensure Fair Mortgage Opportunities for All

CHARTER (12 U.S.C. § 4513(a), 12 U.S.C. § 1716, 12 U.S.C. §note)

- “The principal duties of the [FHFA] Director shall be...to ensure that...the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities).”
- “The principal duties of the [FHFA] Director shall be...to ensure that... the activities of each regulated entity and the manner in which such regulated entity is operated are consistent with the public interest.”
- “It is the purpose of [Fannie Mae and Freddie Mac] ...to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and...to promote access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.”

AFFIRMATIVELY FURTHER FAIR HOUSING (42 U.S.C. § 3608(d))

- “[FHFA] shall administer [its] programs and activities relating to housing...in a manner affirmatively to further the purposes of [the Fair Housing Act].”

FAIR HOUSING ACT (42 U.S.C. § 3605)

- “It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin.”

SAFETY AND SOUNDNESS ACT (12 U.S.C. § 4545)

- “The Secretary [of HUD] shall by regulation, prohibit each enterprise from discriminating in any manner in the purchase of any mortgage because of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect.”

HOUSING & ECONOMIC RECOVERY ACT (12 U.S.C. § 4561 et seq.)

- Affordable Housing Goals

- Duty to Serve Underserved Markets

Appendix B - FHFA's Actions Are Worsening the Fair and Affordable Housing Crisis

The proposed rule-making on Affordable Housing Goals comes at the heels of a range of changes by FHFA and the Trump-Vance administration that have worsened our fair and affordable housing crisis. The actions turn the basic definition of fairness and civil rights upside down to protect the powerful and undermine those merely seeking a fair opportunity to achieve the American Dream of a safe, stable place to call home. Generally, these harmful actions fall into the following four categories:

- 1. Increasing housing costs for the average renter, buyer, or homeowner**
- 2. Rolling back established housing rights for people of all backgrounds**
- 3. Ignoring the threat to local communities from climate change**
- 4. Eviscerating key agencies that provide people with access to fair and affordable housing**

Following is a more detailed list of FHFA's actions that are worsening the fair and affordable housing crisis:

1-Increasing housing costs for the average renter, buyer, or homeowner

- Tenant Protections. In its capacity as conservator, FHFA issued an order rescinding a Directive titled, "Aligned Policies on Multifamily Rental Payment Flexibility and Lease Notices," which required Fannie Mae and Freddie Mac to include certain tenant protections, such as rental payment flexibility and lease notices, as a condition of new multifamily financing.³⁸ (3/24/2025)
- Consumer Protection. In its capacity as conservator, FHFA issued an order rescinding guidance titled, "Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance," which articulated FHFA's expectations for the GSEs' and the Federal Home Loan Banks' compliance with Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices (UDAP).³⁹ (3/24/2025) Also, FHFA placed its UDAP examiners on administrative leave and then fired them, which means that the regulator will no longer supervise Fannie Mae and

³⁸ FHFA, Order Rescinding Directive on Multifamily Lease Policies, Order Nos. 2025-OR-FNMA-13, 2025-OR-FHLMC-13 (March 24, 2025), <https://x.com/pulte/status/1904282014582264283>.

³⁹ FHFA, Order Rescinding Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance, Order Nos. 2025-OR-FNMA-2, 2025-OR-FHLMC-2, 2025-OR-B-2 (March 24, 2025), <https://x.com/pulte/status/1904283306603982858>.

Freddie Mac for compliance with the UDAP law.⁴⁰ Each of the federal financial regulators has long supervised its entities for compliance with UDAP, so this makes FHFA an outlier among the regulators and leaves average consumers without basic consumer protections.⁴¹

- GSE Privatization and Increased Lending Costs. Administration officials have discussed privatizing Fannie Mae and Freddie Mac, allowing them to exit conservatorship, and selling off stock in Fannie Mae and Freddie Mac.⁴² Experts predict that privatization is likely to cause interest rates to rise and rate-lock agreements to evaporate as the explicit government backstop is rolled back, driving up housing costs for middle-class families.⁴³ If implemented, the GSEs are likely to return to their abysmal levels of backing conventional loans for consumers of color.

2-Rolling back established housing rights for people of all backgrounds

- Special Purpose Credit Programs (SPCP)/Down Payment Assistance. In its capacity as conservator, FHFA issued an order requiring Fannie Mae and Freddie Mac to “terminate SPCP Programs supported by the Enterprises.”⁴⁴ (3/25/2025) SPCP’s are authorized by law under the Equal Credit Opportunity Act and Regulation B.⁴⁵ This order does not (and cannot) ban lenders’ ability to originate SPCPs but will severely restrict liquidity for SPCPs, which typically overcome historic barriers to homeownership by providing down payment assistance and flexible underwriting for certain underserved geographic areas.
- Fannie Mae/Freddie Mac Equitable Housing Finance Plans: In its regulatory capacity, FHFA issued a regulatory waiver of the requirements for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (GSEs) to submit and publish Equitable Housing Finance Plans.⁴⁶ (3/25/2025) FHFA finalized the regulation for the Equitable Housing Finance

⁴⁰ See Eric Katz, Housing Agencies Begin Closing Offices, Escorting Employees Out, Government Executive (March 19, 2025), <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>.

⁴¹ See, e.g., Board of Governors of the Federal Reserve and Federal Deposit Insurance Corporation, Unfair or Deceptive Acts or Practices by State-Chartered Banks (March 11, 2004), <https://www.federalreserve.gov/boarddocs/press/bcreg/2004/20040311/attachment.pdf>.

⁴² See Sylvan Lane, *Fannie, Freddie Chief Teases IPO*, The Hill (Oct. 20, 2025), <https://thehill.com/newsletters/business-economy/5564325-fannie-freddie-chief-teases-ipo/>.

⁴³ See Erik J. Martin, Mortgages Under Trump: What Happens if He Privatizes Fannie Mae and Freddie Mac?, U.S. News, (May 22, 2025), <https://money.usnews.com/loans/mortgages/articles/mortgages-under-trump-what-happens-if-he-privatizes-fannie-mae-and-freddie-mac>; Ronda Kaysen, What Will It Mean for Homebuyers If Fannie Mae and Freddie Mac Go Private, N.Y. Times (April 2, 2025), <https://www.nytimes.com/2025/03/26/realestate/fannie-mae-freddie-mac-loans-pulte.html>.

⁴⁴ FHFA, Order Issuing Directive to Terminate Special Purpose Credit Programs, Decision No. 2025-145 (March 25, 2025), https://x.com/pulte/status/1904621959213965690?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etwet.

⁴⁵ 15 U.S.C. § 169(c); 12 C.F.R. § 1002.8. See also National Fair Housing Alliance and Mortgage Bankers Association, Special Purpose Credit Programs Toolkit, <https://spectoolkit.com/>.

⁴⁶ FHFA, Regulatory Waiver of Enterprise Equitable Housing Finance Planning Requirements, 2025-W-4 (March 25, 2025), <https://x.com/pulte/status/1904633180604481753>.

Plans in 2024.⁴⁷ The waiver does not require the GSEs to stop any of the initiatives started in connection with the Plans (e.g., appraisal modernization), except for SPCPs, but severely restricts the transparency and accountability needed for the public to determine whether the GSE's are fulfilling their statutory mandate to serve the whole of the housing market. FHFA has now issued a Proposed Rule to repeal the regulation regarding fair lending and equitable housing finance plans. (7/28/2025)⁴⁸

- REO Repairs. In its capacity as conservator, FHFA issued an order requiring Fannie Mae to end its "Repair All" strategy for its REO inventory and to return to a portfolio neutral approach.⁴⁹ (3/25/2025) This raises questions about whether Fannie Mae will repair homes in communities of color or create blight and drive down prices in certain communities. NFHA and local fair housing groups had previously sued Fannie Mae, Freddie Mac, and several lenders to ensure equal maintenance and marketing of REO homes in compliance with the Fair Housing Act.⁵⁰

3-Ignoring the threat to local communities from climate change

- Climate-Related Risk Management. In its capacity as conservator, FHFA issued an order rescinding FHFA's previously-issued guidance that required Fannie Mae and Freddie Mac to integrate a climate-related risk management framework into its existing enterprise risk management framework.⁵¹ (3/25/2025)

4-Eviscerating key agencies that provide people with access to fair & affordable housing

- Fannie Mae and Freddie Mac Boards. FHFA Director Bill Pulte has fired a total of 14 members of the 25 board members at Fannie Mae and Freddie Mac; installed himself as chair of both boards (in violation of law); installed FHFA's General Counsel, Clinton Jones, as a member on both boards; and fired Fannie Mae's entire audit committee.⁵² (3/17/2025)

⁴⁷ 12 C.F.R. Part 1293.

⁴⁸ FHFA, Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule, 90 Fed. Reg. 35475 (July 28, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf>.

⁴⁹ FHFA, Order Issuing Directive Terminating "Repair All" REO Strategy, Decision No. 2025-144 (March 25, 2025), https://x.com/pulte/status/1904621815563215008?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etwet.

⁵⁰ NFHA Press Release, NFHA Reaches Historic Settlement with Fannie Mae (Feb. 7, 2022), <https://nationalfairhousing.org/nfha-reaches-historic-settlement-with-fannie-mae/>.

⁵¹ FHFA, Order Rescinding Advisory Bulletin 2024-01: Climate-Related Risk Management, 2025-OR-FNMA-4, 2025-OR-FHLMC-4 (March 25, 2025), https://x.com/pulte/status/1904618898537750553?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etwet.

⁵² Rachel Siegel, Trump Team Shakes Up Mortgage Giants As It Weighs Their Futures, Washington Post (March 19, 2025), <https://www.washingtonpost.com/business/2025/03/18/fannie-mae-freddie-mac-fhfa-overhaul-mortgage/>.
Lew Sichelman, Pulte Clashes House at GSEs, National Mortgage Professional (March 18, 2025), <https://nationalmortgageprofessional.com/news/pulte-cleans-house-gses>.

- FHFA Employees. FHFA placed employees of the following sections on administrative leave and then subjected them a Reduction in Force and early retirement: Division of Public Interest Examinations (fair lending, UDAP, and consumer protection), Division of Accounting and Standards, Division of Research and Statistics, and Office of Minority and Women Inclusion.⁵³ (3/18/2025) The Office of Minority and Women Inclusion is required by statute and was moved to FHFA's Equal Employment Opportunity Office, whose employees were also placed on administrative leave.
- Fannie Mae and Freddie Mac Employees. FHFA fired most of the officers and staff in the Office of Minority and Women Inclusion at Fannie Mae and Freddie Mac; Freddie Mac's CEO, COO, head of HR, and SVP of Mission and Community Engagement; and Fannie Mae's fair lending officers.⁵⁴ (3/18/2025)

⁵³ See Eric Katz, Housing Agencies Begin Closing Offices, Escorting Employees Out, Government Executive (March 19, 2025), <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>

⁵⁴ James Kleimann and Chris Clow, ESG Team at Fannie Mae Has Been Terminated, HousingWire (April 25, 2025), <https://www.housingwire.com/articles/esg-team-at-fannie-mae-has-been-terminated-sources/>; Katy O'Donnell, Housing Regulator in Upheaval as Executives, Employees Put on Leave, Politico (March 20, 2025), <https://www.politico.com/news/2025/03/20/employees-placed-on-leave-at-top-housing-regulator-00240298>.