

WHEREAS, to carry out its statutory oversight obligations, and to exercise general supervisory and regulatory authority under 12 U.S.C. § 4511(b), examination authority under 12 U.S.C. § 4517(b), and authority to analyze and make referrals of mortgage interest rate disparities under 12 U.S.C. § 4561(d)(1), FHFA must receive timely and regular information from the Enterprises with respect to fair lending performance and UDAP compliance to ensure that the purposes of the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act, 15 U.S.C. § 1691, the Federal Trade Commission Act, 15 U.S.C. § 45, and section 1325 of the Safety and Soundness Act, 12 U.S.C. § 4545, are being carried out;

WHEREAS, under 12 U.S.C. § 4514(a), the Director, by order, may require the submission by the Enterprises of such regular and special reports containing data and information reasonably obtainable by the Enterprises to FHFA as the Director considers appropriate, and with reasonable notice provided to the Enterprises of the content and due date of the requests;

WHEREAS, under 12 U.S.C. § 4526, the Director may issue orders necessary to carry out the duties of the Director and ensure the purposes of the Safety and Soundness Act and the authorizing statutes are accomplished;

WHEREAS, in 2021, FHFA's Office of Fair Lending Oversight issued reporting orders 2021-OR-FHLMC-2 and 2021-OR-FNMA-2, and this Order will replace and supersede those orders;

NOW THEREFORE, it is hereby Ordered as follows:

1. Freddie Mac shall comply with the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*; the Equal Credit Opportunity Act, 15 U.S.C. § 1691; the Federal Trade Commission Act, 15 U.S.C. § 45; and section 1325 of the Safety and Soundness Act, 12 U.S.C. § 4545, as well as their implementing regulations including 24 CFR part 100, 12 CFR part 1002, and 24 CFR part 81, subpart C;
2. Freddie Mac shall comply with the provisions in this Order, which replaces and supersedes reporting orders 2021-OR-FHLMC-2 and 2021-OR-FNMA-2;
3. Freddie Mac shall quarterly provide to FHFA the information and data needed to assess its fair lending performance and UDAP compliance as required by Attachment I hereto, the "Fair Lending and Unfair or Deceptive Acts or Practices (UDAP) Regular Reporting Instructions;"
4. The Deputy Director for the Division of Public Interest Examinations or their designee is delegated the authority to make changes to the instructions in Attachment I and to provide templates or other guidance on reporting format;
5. The Deputy Director for the Division of Public Interest Examinations or their designee is delegated the authority to request special reports related to fair lending and UDAP as discussed in Attachment II hereto, the "Fair Lending and UDAP Special Reporting Instructions;"
6. The Deputy Director for the Division of Public Interest Examinations or their designee is delegated the authority to waive the requirement to submit certain reporting elements for

a particular reporting period at the request of Freddie Mac when such elements are provided pursuant to other FHFA requirements or for other reasons.

Communications and information produced pursuant to this Order relate to FHFA's preparation of examination, operating, or condition reports of a financial institution and are considered confidential supervisory information under 12 CFR part 1214.

Pursuant to 12 CFR 1293.12(b), each regular report concerning fair housing and fair lending shall include a certification of Freddie Mac's compliance with fair housing and fair lending laws and with § 1293.11(b) to the best of the certifier's knowledge and belief following reasonable or due inquiry of the certifying official in addition to any other required certification or declaration (such as a declaration under 12 U.S.C. § 4514(a)(4)).

IT IS SO ORDERED, this 7th day of January 2025.

FEDERAL HOUSING FINANCE AGENCY

By: _____
Sandra L. Thompson
Director
Federal Housing Finance Agency

Principal Federal Housing Finance Agency Contact

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ATTACHMENT I: FAIR LENDING AND UNFAIR OR DECEPTIVE ACTS OR PRACTICES (UDAP) REGULAR REPORTING INSTRUCTIONS

Freddie Mac shall provide, in a format suitable to FHFA, the following information. The submission shall be referred to collectively as the “quarterly report for fair lending and UDAP.”

I. Quarterly Reporting Periods

Unless otherwise specified, each fair lending and UDAP report element shall cover the three-month period preceding the submission deadline. If data or information is not yet available for the reporting period, Freddie Mac should submit an extension request no later than five business days prior to the reporting deadline. The Deputy Director for the Division of Public Interest Examinations or their designee may waive reporting in a given quarter, as needed.

- a. January 1 – March 31
- b. April 1 – June 30
- c. July 1 – September 30
- d. October 1 – December 31

II. Required Elements

The fair lending and UDAP report is broken down into separate sections for required deliverables. Each section provides a description of the deliverable and explanation of expectations.

1. Narrative

The fair lending and UDAP report must include a general narrative or report that describes changes to policies and programs, a risk assessment, testing and targeted reviews, complaints, summary of events, data trends, and any other items that materially affect compliance with fair lending and UDAP laws and regulations. An assessment of missing rate of data for race-ethnicity (for loan applications and loan acquisitions) is requested to ensure accuracy in reporting and data quality control.

The narrative may be delivered in a Word document (*.docx), PowerPoint presentation (*.pptx), or other format, consistent with expectations from the Division of Public Interest Examinations. The narrative is due to FHFA no later than 45 business days following the quarter end.

The sections requested to be included in the narrative are as follows:

Fair Lending

- a. Description of any changes to fair lending policies or fair lending program procedures;
- b. Annual fair lending risk assessment, including a description of the methodology used and any relevant definitions (may be provided once annually when completed during the relevant reporting period, unless subsequently updated);

- c. Current fair lending testing and targeted review plan (provided once annually when completed during the relevant reporting period, unless subsequently updated);
- d. Fair lending-related consumer complaint summary information (including counts and any themes identified);
- e. Summary of inquiries and requests for review received by the fair lending program from business units, together with a summary of the fair lending analysis and recommendations provided to the business unit;
- f. Summary of fair lending testing and targeted reviews completed, including scope, methodology, results, and any subsequent mitigation activities completed as a result of testing (updated if activities are completed in subsequent reporting periods based on earlier testing);
- g. Description of significant trends observed in underwriting and acquisition data;
- h. The automated underwriting system (AUS) version(s) used to score applications during the reporting period; and
- i. Summary of data quality, including the missing rates for race-ethnicity; if missing data deviate substantially from historical averages, further analysis may be requested.

UDAP

- a. Any significant policy and/or procedure changes related to identifying, assessing, monitoring, and mitigating the risk of engaging in UDAP and preventing the occurrence of UDAP in Freddie Mac operations;
- b. UDAP-related consumer complaint summary information (including counts and any themes identified);
- c. Internal audit and quality control reports related to UDAP (including risks related to single-family and multifamily lines of business) and the results of any UDAP risk assessment and any actions taken in response to those reports and assessments;
- d. Summary and timeline for remediation of UDAP-identified risks; and
- e. Description of any significant UDAP-related risk trends (including risks related to single-family and multifamily lines of business).

2. Quarterly AUS Summary Statistics

Freddie Mac shall provide quarterly, summary data from the AUS for four quarters, which includes the end of the current reporting period. For example, the report for the period ending 3Q2024 must also include 2Q2024, 1Q2024, and 4Q2023.

The summary data referenced in this section includes aggregate statistics from Freddie Mac's AUS and should be presented in a format readable to Microsoft Excel (*.xlsx, *.csv). The AUS Summary Statistics are due to FHFA no later than 45 business days following the quarter end.

The Summary Statistics should be based on the last transaction available to Freddie Mac's AUS and represent the internal perspective on market-based accept rates.¹ The Quarterly AUS Summary Statistics should also be used as a validation of loan-level application data provided to FHFA, referenced in subsequent sections.

In the event there is an issue identified in the data reporting, summary statistics and/or loan-level application data may be requested on an ad hoc basis. Summary Statistics reporting elements should contain the following elements:

- a. Aggregation by quarter, loan purpose, and protected class;
- b. Application counts, accept counts, accept rate, accept rate gap, and accept rate ratio for Freddie Mac's AUS.

3. Quarterly AUS Loan Application-Level Data Delivery

Freddie Mac shall provide AUS loan application-level data consistent with current reporting and future FHFA provided guidance.

The AUS loan application-level data is a comprehensive view of applications submitted to the AUS and identifiable based on a unique AUS key or system record identifier. AUS records may change from quarter-to-quarter based on updates to application files as new information comes available.

Data should be delivered via secure file transfer protocol suitable for large scale data consumption, in a format readable for the SAS system (*.sas7bdat). The AUS Loan Application-Level Data is due to FHFA no later than 90 calendar days following the quarter end.

When updates are made to the AUS Model, FHFA may request additional variables to the AUS data delivery on a go-forward basis. Historical data may also be updated per request of the FHFA.

4. REO Repair Data Summary Statistics

Annually, Freddie Mac shall provide a summary report of the repair status of REO properties sold based on the minority population of the Census tract.

¹ Accept rate is defined by the proportion of loans that are approved by the model and eligible for funding by Freddie Mac divided by all loans submitted to the AUS.

The summary data should be provided in a format readable in Microsoft Excel (*.xlsx, *.csv). The REO Repair Data Summary Statistics are due to FHFA no later than 45 business days following the quarter end for January 1 – March 31.

The REO repair data should include data for sales completed in the 15 months prior to the reporting period end. Data should be inclusive of the previous calendar year, plus the first quarter of the current year. Depending on REO sales volume, the data may be segmented by month or quarter within the reporting period.

Tract categories should be derived from the Census tract-level population file, including White Tracts (0-50%), Minority Tracts (50-80%), and High Minority Tracts (80-100%). Data points should include the following statistics:

- a. Number of REO properties sold in period by tract category and overall;
- b. Number of REO properties repaired by tract category and overall;
- c. Percentage of REO properties repaired by tract category and overall;
- d. Among repaired REO properties, the distribution of repair cost by tract category and overall: Mean, Min, P1, P5, P10, P25, P50, P75, P90, P95, P99, Max;
- e. Among repaired REO properties that completed foreclosure sale in the period, the number of properties and disposition channel by tract category and overall. This refers to properties disposed through REO and non-REO channels, including but not limited to third party sales, bulk sales, online sales, auction sales, and Neighborhood Stabilization Initiative (NSI).

III. Data Reporting Categories

Data Reporting Categories are required for Quarterly AUS Summary Statistics (Section II.2, above) and can be used as a guide for providing other fair lending analyses or summary statistics.

1. Loan Purpose Reporting Categories

For Quarterly AUS Summary Statistics (Section II.2, above), Freddie Mac must provide summary and subset statistics for the following loan purpose categories:

- a. Overall
- b. Home Purchase Loans
- c. Non-Cashout Refinance Loans
- d. Cashout Refinance Loans
- e. Other categories as requested by FHFA

2. Fair Lending Reporting Categories

For Quarterly AUS Summary Statistics (Section II.2, above), Freddie Mac must report statistics for Race and Ethnicity, Sex, Marital Status and/or joint applications, and Age protected class categories.

For the Race and Ethnicity protected class statistics, results should be reported for at least the following groups:

- a. White (non-Hispanic or Latino)
- b. Black or African American
- c. Asian
- d. Hispanic or Latino
- e. Pacific Islander (inclusive of Native Hawaiian)
- f. American Indian or Alaska Native (AIAN)

If available, data and information for Race and Ethnicity subgroups (e.g., Native Hawaiian, Guamanian or Chamorro, Samoan, and Other Pacific Islander) must be reported.

**ATTACHMENT II: FAIR LENDING AND UDAP SPECIAL REPORTING
INSTRUCTIONS**

When requested in writing by the Deputy Director for the Division of Public Interest Examinations or their designee, Freddie Mac shall provide, in a format suitable to FHFA, such other information related to the public interest. Such requests may include, but shall not be limited to:

1. Enterprise data for a population of applications or loans, appraisals or properties, or of a specific program, initiative, or proposal, to be provided within 10 business days of request;
2. A special report containing the complete results of fair lending analysis, testing, targeted reviews, or AUS fair lending testing described in a quarterly fair lending report, to be provided within 10 business days of request;
3. A special report related to identifying, assessing, monitoring, and mitigating the risk of engaging in UDAP and preventing the occurrence of UDAP in Freddie Mac operations, to be provided within 10 business days of request;
4. A special report consisting of a fair lending self-evaluation and/or UDAP analysis by Freddie Mac of a particular model, product, business area, or policy as requested by FHFA to be provided within 30 business days of request;
5. Data for the purposes of assessing compliance with the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*; the Equal Credit Opportunity Act, 15 U.S.C. § 1691; the Federal Trade Commission Act, 15 U.S.C § 45; and section 1325 of the Safety and Soundness Act, 12 U.S.C. § 4545.

If an extension of the reporting deadline is required, Freddie Mac should submit an extension request no later than five business days prior to the reporting deadline. The Deputy Director for the Division of Public Interest Examinations or their designee may approve the extension; the scope and complexity of the analysis required will be assessed when considering whether an extension is appropriate.