



October 28, 2024

The Honorable Sandra Thompson  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, DC 20219

**RE: 2025-2027 Enterprise Housing Goals Proposed Rule**

DHI Mortgage Company, Ltd. (DHIM), appreciates the opportunity to comment on the Federal Housing Finance Agency (FHFA) proposed rule outlining 2025-2027 housing goals for Fannie Mae and Freddie Mac (the Enterprises). The proposed rule establishes benchmarks for the Enterprises' purchases of single-family mortgages serving low- and very-low-income borrowers as well as other underserved populations and seek to assist the Enterprises in achieving their mission of providing liquidity for affordable homeownership.

DHIM submits this letter as it specifically relates to FHFA single-family goals for 2025-2027. While DHIM is highly supportive of the mission to expand homeownership opportunities by offering additional liquidity for affordable lending, we believe there are issues with the underlying foundation of the proposed rule and provide suggestions for improvement below:

- It is helpful to see the new goals provide some flexibility to adjust based on current market conditions. We believe it is also important for the Enterprises to accept tolerances based on a lender's originations. The Enterprises should expect a representative mix from lenders. For example:
  - If a lender is 99% purchase-money, the lender is not likely to meet refinance goals.
  - Builder affiliated mortgage companies are not likely to meet census tract goals, if the builder affiliate does not build in target census tracts.
- We recommend the FHFA further evaluate how the cost for these affordable programs has increased the cost for all borrowers through increased guarantee fees and increased LLPA's. It is unclear if this was an intended consequence and should be considered as the proposed rule is finalized.
- For DHIM specifically, originations are 55% first-time homebuyers with higher LTVs. This can make it very difficult to qualify with LIP and VLIP income. It is important to consider scenarios such as this in the final rulemaking.
- DHIM strongly reiterates, along with our industry trade group, the Mortgage Bankers Association, that: while well intended, this has created a scenario in which there is extreme competition for LIP and VLIP loans. DHIM concurs with the MBA in its recommendation for improved coordination between entities that have requirements for these loans. Better alignment or coordination in this area could minimize the "tug of war" effect which can cause market disruption and may ultimately raise costs for some borrowers.

- We also support MBA recommendations for: enhanced focus on expanding the population of Down Payment Assistance programs and Special Purpose Credit Programs, along with other affordable lending products. DHIM believes these programs can further assist in fluctuating interest rate environments and other challenging market conditions, such as those in recent history.

In conclusion, while DHIM is in full support of the underlying mission, we believe there are additional factors to consider as the FHFA finalizes its rulemaking for 2025-2027. Thank you for providing the chance to comment on the proposed rulemaking, and we look forward to continuing our focus on expanding homeownership opportunities.

Sincerely,

DHI Mortgage Compliance Department  
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