

Comments on FHFA RFI on Enterprise Equitable Housing Finance Plans

National Disability Institute (NDI) appreciates the opportunity to provide public input and information in response to the request for information (RFI) from the Federal Housing Finance Agency (FHFA) regarding requirements that Fannie Mae and Freddie Mac (the Enterprises) prepare and implement three-year Equitable Housing Finance Plans that describe each Enterprise's planned efforts to advance equity in housing finance.

National Disability Institute, a 501(c)3 nonprofit corporation, is dedicated to inclusive communities and community development with adequate availability of accessible and affordable housing where people with disabilities have the same opportunities to achieve full community participation and financial stability and security as people without disabilities. For the past 16 years, NDI has led the creation of new knowledge about financial behavior and economic status of individuals with disabilities and their families with the analysis of data collected by the FDIC, the U.S. Census Bureau and the FINRA Investor Education Foundation. NDI reports have brought into focus the challenges of this economically vulnerable population that, when compared to people without disabilities, is twice as likely to be living in poverty and struggling with limited income production with high rates of unemployment and underemployment.

FHFA is requiring the Enterprises to include objective, measurable goals and planned, meaningful actions in their plans to reduce racial or ethnic homeownership gaps and reduce underinvestment or undervaluation in formerly redlined areas that remain racially or ethnically concentrated areas of poverty or otherwise underserved or undervalued. Complementary purposes of the proposed plans are to a) reduce racial or ethnic disparities in the share of loans required by the Enterprise compared to the overall mortgage market; b) to reduce racial or ethnic disparities in servicing, loan modifications and loss mitigation; and c) reduce racial or ethnic disparities tenant screening, repayment options and evictions.

While NDI supports these goals and objectives of the proposed plans, it is a significant oversight not to include people with disabilities alongside the focus on racial and ethnic minority populations. Adults with disabilities are more likely to be poor and live in low- and moderate-income (LMI) neighborhoods than individuals and families without disabilities. Based on analysis of Census and FDIC data:

- The percentage of households with an annual income of less than \$15,000 is 5.6 times higher in households with a disability than those without a disability. (With a disability: 32.3%; Without a disability: 5.8%)
- A higher percentage of Black and Latinx households with a disability have an income of less than \$15,000. (Black: 45.2%; Latinx: 33.3%; White: 27.4%)
- The percentage of households with unmet need for bank credit is 1.7 times greater in households with a disability than in those without a disability. (With a disability: 20.7%; Without a disability: 12.1%)
- In households with a disability, a marginally higher percentage of Black and Latinx households with a disability have an unmet need for credit compared to White households with a disability. (Black with a disability: 21.8%; Latinx with a disability: 22.5%; White with a disability: 20%)

In addition, millions of individuals with disabilities, due to an inability to work, are dependent on Supplemental Security Income (SSI) and receive less than \$794 per month. [Data](#) from the Technical Assistance Collaborative states that the average rent for a basic one-bedroom apartment nationwide is \$1,063 per month, or 128% of a disabled person's income, leaving no money for food, transportation, clothing or other necessities. These numbers make a compelling case for FHFA to add disability as a targeted class to be a priority for each Enterprise's planned efforts to advance equity in housing finance. Each Enterprise should be expected to identify barriers to sustainable housing opportunities for people with disabilities and set goals to address those barriers, undertake meaningful actions that are responsive to the disability community and report on an annual basis on progress being made.

We do fully support one of the objectives offered by FHFA that could be undertaken in the proposed plans and that is to "increase the supply of affordable housing that is accessible for persons with disabilities and available in the most integrated setting appropriate to the needs of an individual with a disability." However, each of the other identified goals and objectives that speak only of a targeted focus on reducing racial or ethnic disparities should add "and disparities related to people with disabilities." For example, "reducing racial or ethnic disparities in servicing, loan modifications and loss mitigation" should be modified to read "reducing racial or ethnic disparities and disparities related to people with disabilities in servicing, loan modifications and loss mitigation."

There is an extensive history of fair housing complaints and settlements by HUD that document the inequitable treatment of individuals with disabilities in tenant screening and evictions. There is also a significant record of court decisions and settlements that challenge the discriminatory practices of financial institutions in unfairly denying mortgages to people with disabilities.

Thirty-one years after the passage of the Americans with Disabilities Act (ADA), it is not enough for FHFA to offer a list of objectives and goals for the proposed plans to be completed by the Enterprises that “could be undertaken” for groups defined by race or ethnicity. Such plans must offer equal status to exploration of activities that improve equality of opportunity for homeowners and tenants with disabilities that increase access to a greater supply of affordable and accessible housing for people with disabilities in the most integrated setting appropriate to their needs. Such increased access and affordability is not possible without new requirements on data collection and analysis by the Enterprises that provide greater transparency for the public and the disability community which results in equal footing for a protected class of people with disabilities in addition to people defined by race or ethnicity.

NDI urges FHFA to change their recommendations regarding the list of objectives and goals that could be undertaken in the plans, and the data to be collected and reported, to meet these objectives and goals **as a mandatory, rather than an optional, set of requirements with the addition of disability as a targeted population.**

NDI, with other leaders in the disability community, welcomes the opportunity to meet with FHFA to amplify on these comments and recommendations. To be responsive to President Biden’s Executive Order 13985 entitled, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” the proposed requirements for the Enterprise Equitable Housing Finance Plans must be expanded to increase attention to the challenges faced by people with disabilities who have been historically underserved, marginalized and adversely effected by persistent poverty and inequality.