NCRC
National Community Reinvestment Coalition

October 25, 2021

Clinton Jones, General Counsel
Attention: Comments/RFI, Equitable Housing Finance Plans
Federal Housing Finance Agency

Dear Mr. Jones:

The National Community Reinvestment Coalition (NCRC), an association of more than 600 community-based organizations seeking to increase access to credit and capital for traditionally underserved communities, appreciates the opportunity to comment on the preparation and implementation of Equitable Housing Finance Plans, effective 2022. The Enterprises (Freddie Mac and Fannie Mae) play a vital role in ensuring people of color, communities of color and low-moderate-income (LMI) borrowers and communities have access to affordable homeownership. Through their purchase of loans and role in the appraisal process, the Enterprises can greatly impact the ability of these communities to own homes, and therefore build wealth. Congress has recognized this integral role of the Enterprises in the housing finance system by mandating that they lead the market in serving LMI and people of color borrowers and communities.[1]

The importance of homeownership for people of color, communities of color and LMI communities cannot be understated. Home equity accounts for 69% of American family wealth.[2] However, as of 2020, the Black homeownership rate was 31 percentage points lower than for White households.[3] For Latino households, the homeownership rate was 16 percentage points lower than for White households.[4] This is in no small part due to the historic discrimination of federal housing programs that institutionalized segregation and redlining. The private sector followed the government's lead. These practices resulted in households of color being shut out from deeply subsidized and therefore affordable homeownership opportunities, such as the federally subsidized neighborhood of Levittown in the 1960s.[5]

More recently, during the financial crisis, African American households saw their homeownership rates fall more sharply than white homeownership rates.[6] Because of this, there is an immense need for progress in creating affordable homeownership opportunities for African

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[1] Federal Housing Finance Agency (FHFA), 12 CFR Part 1282, RIN 2590-AB12 Proposed Rule, 2022-2024 Enterprise Housing Goals, p. 47403, https://www.federalregister.gov/documents/2021/08/25/2021-18008/2022-2024-enterprise-housing-goals.

[2] James H. Carr, Michela Zonta, and Steven P. Hornburg, 2017 State of Housing in Black America, National Association of Real Estate Brokers, September 18, 2017, http://www.nareb.com/sitefiles/uploads/2017/09/SHIBA2017-final-for-web-0918.pdf.

[3] Joint Center for Housing Studies. (2020). *State of Housing 2020* (p. 5). Boston. Retrieved from https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf.

[4] *Id*.

[5] Lambert, B. (1997). At 50, Levittown Contends With Its Legacy of Bias. Retrieved 10 October 2021, from https://www.nytimes.com/1997/12/28/nyregion/at-50-levittown-contends-with-its-legacy-of-bias.html.

[6] Joint Center for Housing Studies. (2020). *State of Housing 2020* (p. 5).

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American households and communities. We therefore welcome the move from FHFA and the Enterprises to work towards impactful change in homeownership opportunities through the creation of Equitable Housing Finance Plans.

How should measurable goals be selected and set by the Enterprises? For example, is pursuing a small set of focused goals or a wide portfolio of goals better?

We support the use of a targeted approach, based on both targeted geographies and targeted minority racial or ethnic groups. This is consistent with a primary role of the Enterprises to support the attainment of homeownership in LMI and minority communities through the Affordable Housing Goals and Duty to Serve requirements. Therefore, where statistical analysis of metropolitan statistical areas (MSAs) and counties suggests evidence of past and continuing discrimination or wide racial disparities, we recommend that the Enterprises establish goals for the percentage of purchases to people of color or communities of color in these geographical areas. The statistical analysis would identify specific groups that are experiencing discrimination. For example, the analysis could reveal that Asians in Minneapolis are encountering discrimination in the home purchase market whereas Hispanics in Los Angeles could be victimized by discrimination. The FHFA would then develop home purchase goals for Asians in Minneapolis and Hispanics in Los Angeles.

Goals for targeted areas could be similar to the Affordable Housing Goals in that the FHFA could develop a benchmark and/or market level to compare against the Enterprises' percentages of loan purchases to the targeted group or community. The Enterprises could develop housing plans if they fall short of goal attainment as described in NCRC's comment on the affordable housing goals. Alternatively, the goals could be aspirational and could help improve Enterprise performance on the affordable housing goals if the Enterprises exceed the benchmark or market level. Falling short of goal attainment would not result in a penalty under an aspirational approach. While we prefer the first alternative described here, we also offer the aspirational approach as an option.

NCRC described this approach in a recent white paper on incorporating race into CRA exams. The paper provides support for the constitutionally-sound approach of setting benchmarks that are narrowly tailored and based upon statistical analysis of fair lending problems in specific areas.[7] We further recommend that the FHFA and bank regulatory agencies conduct interagency research and analysis to determine target metropolitan areas and counties. This analysis would be updated every two years. NCRC's approach would assist the FHFA and the Enterprises in focusing their plans on the areas and populations most in need of lending, and work towards meaningfully addressing homeownership in these communities.

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[7] Brad Blower, General Counsel, NCRC; Josh Silver, Senior Policy Advisory, NCRC; Jason Richardson, Director of Research and Evaluation, NCRC; Glenn Schlactus, Partner, Relman Colfax PLLC; Sacha Markano-Stark, Attorney, Relman Colfax PLLC, *Adding Robust Consideration Of Race To Community Reinvestment Act Regulations: An Essential And Constitutional Proposal*, September 2021, https://www.ncrc.org/adding-robust-consideration-of-race-to-community-reinvestment-act-regulations-an-essential-and-constitutional-proposal/

What data, information, or analyses would be helpful for the Enterprises to consider or use to support their plans?

We recommend the Enterprises utilize Home Mortgage Disclosure Act (HMDA) data and the FHFA's public use database.[8] In addition, we urge the Enterprises to use appraisal information when analyzing racial disparities in home lending. Transparency is vital to determining the extent of appraisal bias. Through the Enterprises analyzing and sharing the extensive data collected from their Uniform Appraisal Dataset,[9] community-based stakeholders and policymakers would be able to effectively work with the Enterprises on developing appraisal policies that reduce discrimination against communities of color. We also recommend the Enterprises consult their appraisal research, including a recent report released by Freddie Mac on appraisal gaps. [10] We request that the Enterprises use Freddie Mac's research into appraisal gaps to identify MSAs and counties with the widest appraisal gaps. These geographical areas may also be targeted under a goals approach described above

In combination with the home loan and appraisal data, we recommend the Enterprises consult NCRC's HOLC (Home Owners' Loan Corporation) report and its associated interactive maps.[11] This report examines how neighborhoods were historically evaluated for lending risk by the HOLC and compares the neighborhoods' recent social and economic conditions with city-level measures of segregation and economic inequality.[12] Redlined neighborhoods that were identified as the "riskiest" for lending by HOLC remain disproportionately communities of color. Given the modest impact that the lending industry and Enterprises have had on formerly redlined communities, FHFA should seek to improve the data and metrics of success in this area. We believe that utilizing these HOLC resources will assist greatly with this effort.

How should the Enterprises undertake setting objectives, measurable goals, and meaningful actions to sustainably address the racial and ethnic homeownership gap?

We request that FHFA and/or the Enterprises provide publicly available data on racial and ethnic homeownership gaps across MSAs and counties. This will enable the Enterprises and community stakeholders to determine which areas should be specifically targeted to reduce disparate impact.

The Enterprises should compare the percentage of loans purchased to subgroups of people of color and the percentage of the subgroups' households across MSAs and counties. The Enterprises should also compare the percentage of loans purchased by the Enterprises to the percentage of loans originated by market lending institutions ("market"). Comparisons to

[8] Public Use Databases | Federal Housing Finance Agency. (2021). Retrieved 10 October 2021, from https://www.fhfa.gov/DataTools/Downloads/Pages/Public-Use-Databases.aspx.

[9] See Fannie Mae's description of the dataset, https://singlefamily.fanniemae.com/delivering/uniform-mortgage-data-program/uniform-appraisal-dataset

[10] Freddie Mac. (2021). Racial and Ethnic Valuation Gaps In Home Purchase Appraisals. Freddie Mac. Retrieved from http://www.freddiemac.com/research/insight/20210920_home_appraisals.page.

[11] Mitchell, B., & Franco, J. (2021). HOLC "redlining" maps: The persistent structure of segregation and economic inequality. Retrieved 10 October 2021, from https://ncrc.org/holc/.

[12] *Id*.

racial/ethnic homeownership gaps, market and demographic benchmarks would help in identifying areas to target for improvement. The Enterprises have a vital role of leading the financing of loans made in underserved and minority communities. Therefore, these comparisons are needed to make meaningful changes.

Pricing is directly tied to racial and ethnic homeownership gaps. The Enterprises examine their loan-level price adjustments (LLPA) to pool risk, eliminate excessive risk-based pricing and create homeownership opportunities. This analysis is especially needed, given the disproportionate impact of LLPAs on borrowers of color.[13] We acknowledge the Enterprises' recent change in pricing guidelines for Flex Modifications ("Flex Mod") to allow borrowers with loan-to-value (LTV) ratios at or below 80% to receive market interest rates in their loan modifications.[14] This structure increases the likelihood that the modification will lower a borrower's payments. However, we believe the Enterprises should continue to both self-monitor their servicing guidelines, at least every two years, and be cautious of how their guidelines are implemented by servicers to ensure that the rules are drafted and implemented in a way that does not cause disparate impact.

NCRC also acknowledges that the Enterprises have waived LLPAs in their special affordable homeownership programs, Home Possible and Home Ready, for those who have an LTV of 80% or higher.[15] The public does not know, however, how prevalent these programs are or what percentage of the Enterprises' purchases are composed of loans made under these programs. Developing metrics showing what percentage of Enterprise purchases are loans made under these programs and what percentage of the loans were made to people of color would help address racial/ethnic gaps in homeownership.

The GSEs should expand their 20-year loan products and adopt metrics regarding these products in their equity plans to help people of color build equity faster. The 20-year products result in no greater cost than 30-year loans because of the subsidies provided by the GSEs for these products. This would help Black, Brown and first generation and first time homebuyers sustain homeownership and realize the benefits of the economic security homeownership offers more quickly. We would also recommend explicit recognition of CRA credit for bank use of these products.

Appraisal discrimination is a systemic issue. Recent research has found that even after accounting for structural and neighborhood characteristics of homes, homes in African American neighbors were valued on average 23% less than they would have been if the residents of the

[13] Immergluck, D. (2021). Racial Justice and the Mortgage Market: Recommendations to the Biden Administration Regarding the Future of GSEs. *Racial Justice in Housing Finance: A Series on New Directions*, 43. Retrieved from https://nationalfairhousing.org/wp-content/uploads/2021/06/racial-justice-in-housing-finance-series-2021_PRRAC.pdf.

[14] FHFA. (2021). *FHFA Expands Use of Interest Rate Reduction to Help Borrowers with a COVID-19 Hardship Reduce Their Monthly Mortgage Payment*. Retrieved from https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Expands-Use-of-IRR-to-Help-Borrowers.aspx.

[15] National Housing Conference. (2021, September 31). *David Dworkin and FHFA Acting Director Sandra Thompson discuss the role of the Enterprises*. YouTube. https://www.youtube.com/watch?v=S0oecGmvgNo. 38:24.

neighborhood were mostly white.[16] This ultimately results in owner-occupied homes in African American neighborhoods being undervalued by $48,000 causing $156 billion in cumulative losses.[17]

The Woodstock Institute has received troubling reports that when homeowners seek a second appraisal when they believe the first one was discriminatory, the Enterprises only use the first, lower appraisal.[18] We therefore ask the Enterprises to discontinue these polices. We also ask the Enterprises and FHFA to work towards reducing discrimination in the appraisal processes through using data such as the recently released Freddie Mac appraisal data to identify MSAs and counties with the widest appraisal gaps, and target these communities for increasing purchases of loans made to people of color and taking other remedial steps.[19]

As a further action toward reducing the appraisal gap, we recommend the establishment of an appraisal database that will inform the reports of the Enterprises and provide information to community stakeholders. Currently, no public appraisal database exists to our knowledge. While the Enterprises have access to appraisal figures that are obtained when they purchase loans, that data is not made publicly accessible. We ask the FHFA and the Enterprises to investigate the possibility of creating a publicly available appraisal database. We also ask that Enterprises address issues related to bias in appraisals. We recommend that Enterprises begin to participate in the training of appraisers if they do not already. We further ask Enterprises to regularly test and monitor appraisal data for evidence of disparate treatment.

How should the Enterprises undertake setting objectives, measurable goals, and meaningful actions for formerly redlined areas? How should such areas be defined?

As discussed above, NCRC has composed a HOLC report and associated interactive maps that enable the Enterprises to track formerly redlined areas.[20] We recommend the Enterprises track their purchases over time in these areas to see if they are increasing at a greater rate than or are on par with market originations. The Enterprises should also consider how serving formerly redlined areas can also bolster their Duty to Serve obligations to purchase single- and multifamily conventional mortgages targeted to underserved communities.[21] For example, in order to preserve affordable housing in formerly redlined areas, the Enterprises should assess to

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[16] Andre Perry, Jonathan Rothwell, and David Harshbarger, *The Devaluation of Assets in Black Neighborhoods*, The Brookings Institution Metropolitan Policy Program (Nov. 2018), https://www.brookings.edu/research/devaluationof-assets-in-black-neighborhoods/.
[17] *Id*.
[18] FHFA Public Listening Session, Equitable Housing Finance Plans. (2021). Presentation, https://www.fhfa.gov/Media/Pages/Public-Engagements.aspx.
[19] Freddie Mac. (2021). Racial and Ethnic Valuation Gaps In Home Purchase Appraisals. Retrieved from http://www.freddiemac.com/research/insight/20210920_home_appraisals.page.
[20] Mitchell, B., & Franco, J. (2021). HOLC "redlining" maps: The persistent structure of segregation and economic inequality. Retrieved from: https://ncrc.org/holc/.
[21] NCRC. (2015). *Protecting Duties to Serve and Responsible Next Steps for Reforming the Secondary Mortgage Market* (p. 4). Washington D.C.: NCRC. Retrieved from https://ncrc.org/wp-content/uploads/2015/11/protecting_duties_to_serve_web.pdf.

what extent they are helping to finance Section 8 or LIHTC multifamily housing that would otherwise face expiring deed restrictions.

What other objectives and measurable goals should the Enterprises pursue in their plans?

We commend the recent development of the Enterprises allowing lenders to consider an applicant's rental payment history in determining creditworthiness.[22] This is especially needed given Fannie Mae's National Housing Survey's finding that 29% of Black consumers frequently identify insufficient credit scores or credit history as their greatest obstacle to getting a mortgage compared to only 18% of white consumers. However, we caution FHFA and the Enterprises that safeguards must be placed around this modification to ensure that it does not result in increased risk-based pricing. We ask FHFA to monitor the purchase of loans following this change to ensure that the use of rental payment history increases the Enterprises' purchases of loans made to people of color. If the use of alternative metrics such as rental payment history does not increase purchases, we urge FHFA to determine the cause and reevaluate safeguards.

We are concerned that FHFA and the Enterprises continue to rely on Classic FICO. There are many alternative scoring models available that reduce barriers for people of color.[23] For instance, Vantage Score demonstrated that it was able to score 40 million people who were unable to obtain a score using the Classic FICO scoring model; the company estimates that approximately 10 million of those would have a score of 620 or above possibly making them mortgage eligible under Enterprise guidelines.[24] A significant share is estimated to be African American or Hispanic, segments that have had difficulty accessing affordable mortgage credit or homeownership.[25]

What constitutes a "meaningful" action, and what kinds of meaningful actions should be taken by the Enterprises under their plans?

Policies and requirements are only rigorous when they are regularly evaluated and enforced. We therefore urge FHFA to closely monitor the Enterprises' compliance with their Equitable Housing Finance Plans. FHFA and the Enterprises should examine racial appraisal and homeownership gaps every two years and see if they are narrowing. To further bolster the rigor in evaluating plans, FHFA should also include community stakeholders in the evaluation process. We recommend FHFA consult community and housing groups, with the prioritization of entities composed of and closely associated with LMI and minority populations as these groups have the best understanding of what their communities need. Lastly, as will be outlined later in this comment, the evaluation process should also include the adoption of five ratings as is currently used for Duty to Serve compliance.

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[22] FHFA. (2021). FHFA Announces Inclusion of Rental Payment History in Fannie Mae's Underwriting Process. Retrieved from https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Inclusion-of-Rental-Payment-History-in-Fannie-Maes-Underwriting-Process.aspx.

[23] NCRC. (2021). *NCRC's Comment On FHFA's Proposal On Credit Score Models*. NCRC. Retrieved from https://ncrc.org/ncrcs-comment-on-fhfas-proposal-on-credit-score-models/.

[24] *Id*.

[25] *Id*.

The Enterprises have a rich data set, and this comment letter has recommended more data to include in public databases. With comprehensive data, the Enterprises can significantly expand on their research and deepen their understanding of the geographical areas and racial/ethnic groups that have the greatest wealth and homeownership gaps.

FHFA should use its dataset to assess progress in targeted geographical areas described above exhibiting ongoing discrimination, wide racial homeownership gaps, and/or where the Enterprises trail the market in percentage of loans financed to people of color. Over the three year period of the Equitable Housing Finance Plans, have the Enterprise(s) narrowed the deficit compared to the market or is now leading the market? Also, in general, are the percentage of Enterprises' loan purchases to people of color in the targeted areas increasing? If not, the FHFA should consider enforcing remedial steps that the Enterprises must follow such as introducing more special affordable housing products in those areas, increasing flexible underwriting approaches, further reforms in pricing or appraisal practices and more marketing and outreach to communities of color.

In addition, FHFA should set goals for the use of special affordable homeownership products in the targeted areas. These products include Home Possible from Freddie Mac and Homeownership Ready from Fannie Mae.[26] FHFA should examine whether, after three years, the usage of these products in targeted areas is increasing.

How can the Enterprises and FHFA ensure that actions taken under the plans provide sustainable housing opportunities and are consistent with safety and soundness?

We recommend the FHFA and the Enterprises look at delinquency and default rates of the loans purchased by Enterprises. The Enterprises should survey recipients of these loans and recipients of Home Possible and Home Ready to assess their experiences and ability to repay as well as their wealth building success. Data collected from these analyses should be made public to enable community stakeholders to monitor the Enterprises' performance and make recommendations. Publicly available data disaggregated by race and geography can be used to ensure that safe and sound loans are targeted towards the areas and populations most in need.

What should FHFA consider in overseeing the Enterprises' plans? Should FHFA provide a rating or some other public assessment? If so, how should the plans be assessed?

Measurable goals enable the FHFA to track the Enterprises' progress or lack thereof. We support FHFA in its choice to utilize five instead of four ratings when evaluating the Enterprises' compliance with the Duty to Serve in each underserved market.[27] Five ratings create more meaningful distinctions in performance. The experience with four ratings in Community Reinvestment Act (CRA) exams revealed that more than 98% of banks pass their exams and that about 90% received Satisfactory ratings. Such a high passing rate and a high rate of banks

[26] "Home Possible." FreddieMac, https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/home-possible; "HomeReady Mortgage ." Fannie Mae, https://singlefamily.fanniemae.com/originating-underwriting/mortgage-products/homeready-mortgage.
[27] Federal Register. Enterprise Duty To Serve Underserved Markets (2016).

receiving one rating is implausible and would probably be rectified under a grading system of five ratings.[28]

We therefore ask that FHFA use five ratings to evaluate performance of the Enterprises towards goals stipulated in the Equitable Housing Finance Plans for each target MSA or county.[29] These five ratings include: Exceeds, High Satisfactory, Low Satisfactory, Minimally Passing, or Fails. Like the Duty to Serve system, if the Enterprises received a rating of Exceeds, High Satisfactory, Low Satisfactory, or Minimally Passing, this would constitute compliance with their Equitable Housing Finance Plan goals in a target geographical area.[30] In addition, we believe that if the Enterprises received a Low Satisfactory or Minimally Passing instead of High Satisfactory, they would be more likely to seek improvements in their performance. We request that these ratings be public, so community stakeholders are aware and can advocate for improved Enterprise performance where improvements are needed. Transparency is critical for accountability and to achieving the goals of the Equitable Plans and improving the rate of homeownership.

How should the plans interact with Duty to Serve, Housing Goals, or other requirements?

Above, we detailed performance measures for Equitable Housing Finance Plans, specifically the percentage of loans purchased that were made to racial and ethnic subgroups in target MSAs or rural counties. These performance measures could also be incorporated into the Affordable Housing goal assessment and Duty to Serve requirements (particularly any targets for rural counties).

FHFA should incorporate the same five rating structure used for Duty to Serve evaluations and ensure assessments of the Enterprises in meeting their Equitable Housing Finance Plan goals are made public, in order to provide transparency and accountability. In addition, reporting for Equitable Housing Finance Plans should involve reporting on how many loans that qualify for Duty to Serve requirements serve people of color.

Could special purpose credit programs (as defined in 12 CFR 1002.8) be included in the Enterprises' plans? How should such programs be structured?

Special Purpose Credit Programs enable lenders to develop products that have flexible and favorable terms and provide opportunities to underserved and minority communities.[31] We commend Freddie Mac on working to revise their product offerings and guidance consistent with the Equal Credit Opportunity Act's Special Purpose Credit Program (SPCP) requirements.[32]

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[28] Josh Silver and Jason Richardson, Do CRA Ratings Reflect Differences In Performance: An Examination Using Federal Reserve Data, NCRC, May 2020, https://ncrc.org/do-cra-ratings-reflect-differences-in-performance-an-examination-using-federal-reserve-data/.

[29] *Id.*

[30] *Id.*

[31] Ficklin, P., & Nier, III, Charles L. (2021). Racial Justice and the Mortgage Market: Recommendations to the Biden Administration Regarding the Future of GSEs. *Racial Justice in Housing Finance: A Series on New Directions*, 43. 52-55. Retrieved from: https://nationalfairhousing.org/wp-content/uploads/2021/06/racial-justice-in-housing-finance-series-2021_PRRAC.pdf.

[32] FHFA Public Listening Session, Equitable Housing Finance Plans. (2021). Retrieved from https://www.fhfa.gov/Media/Pages/Public-Engagements.aspx.

SPCP programs should continue to have a vital role in the development of Equitable Housing Finance Plans. Lenders can design these and work with the Enterprises to sell their loans to the Enterprises. These programs can target formerly redlined neighborhoods or geographical areas with past and ongoing discrimination and can target the subgroup within people of color that are experiencing the discrimination. In determining targeted areas, we refer FHFA and the Enterprises to the previously referenced HOLC resources developed by NCRC.

Lenders have been encouraged to develop SPCP programs, but many have been reluctant to adopt programs such as the SPCP program, because of liquidity concerns. Therefore, in working with lenders to implement programs such as SPCP, the Enterprises should ensure liquidity for mortgages originated through these programs.

Are there additional or different required objectives and goals that FHFA should consider for future Enterprise plans?

To minimize homeownership gaps, FHFA should include language preference in the Uniform Residential Loan Application, so that loan originators will be asking applicants about their preferred language. When they are available, loan originators should be supplying applicants with loan documents in their preferred language. In addition, the information gathered by the Enterprises about language preference should contribute to a publicly accessible database to help stakeholders further understand the needs of Limited English Proficient (LEP) borrowers.

NCRC also supports the recommendation of the National Disability Institute (NDI) that Equitable Housing Finance Plans include a mandatory goal for people with disabilities. It would actually be at least two goals: one for renters and one for homeowners. The Enterprises should develop baseline data that indicates how many loan purchases support rental housing and homeowner units for people with disabilities on an annual basis. If data is available, the Enterprises should also document which MSAs and counties have concentrations of people with disabilities and describe their efforts in these areas. The Enterprises should then propose goals of increasing both the number and percentage of their loan purchases that finance rental and homeowner units for people with disabilities. As NDI documents, people with disabilities are more likely to have lower incomes and have unmet needs for credit than the general population.[33]

What communities and stakeholders should the Enterprises consult with in developing their plans?

The Enterprises should consult with community stakeholders who are directly impacted by their plans. This includes LMI communities, people of color and communities of color. It also includes non-profit organizations, local community groups, and citizen associations that work with these populations and/or are operated by traditionally underserved populations. By including these entities, the Enterprises are most able to get a full view of the needs of these communities and effectively tailor their goals to meet these needs. We also request that the

[33] NDI comments to the FHFA on Equitable Housing Finance Plans.

Enterprises make engagement with these stakeholders a regular activity, and fully incorporate them into the evaluation process.

Conclusion

NCRC appreciates the opportunity to comment on FHFA's Equitable Housing Finance Plans. This requirement promises to be robust and help narrow the racial homeownership gap if it is accompanied by local measurable goals targeted to MSAs and rural counties experiencing significant racial disparities, publicly available data on purchasing activity and appraisal gaps, a ratings system for measuring progress and vigorous public input requirements and involvement of groups that represent people of color and disadvantaged communities.

If you have any questions, kindly contact myself on jvantol@ncrc.org or Josh Silver on jsilver@ncrc.org or Natasha Sim at nsim@ncrc.org. Thank you.

Sincerely,

Jesse Van Tol
President and CEO