



Freedom Mortgage Corporation • 951 Yamato Road, Suite 175 • Boca Raton, FL 33431

March 9, 2022

Acting Director Sandra Thompson
Federal Housing Finance Agency
400 7th Street, SW Washington, DC 20219

RE: FHFA Strategic Plan: Fiscal Years 2022-2026

Dear Acting Director Thompson:

Freedom Mortgage Corporation (Freedom) would like to thank the Federal Housing Finance Agency (FHFA) for the opportunity to comment on the recently released Strategic Plan for Fiscal Years 2022-2025 (Strategic Plan). The Strategic Plan gives the public and interested stakeholders a valuable opportunity to gain insight and provide comments on the activities and priorities of FHFA in the coming years.

Freedom strongly supports the three overarching goals that FHFA identifies and describes in the Strategic Plan:

- Securing the regulated entities' safety and soundness.
- Fostering housing finance markets that promote equitable access to affordable and sustainable housing; and,
- Responsibly stewarding FHFA's infrastructure.

Each of these goals is critical to maintaining a housing finance system that facilitates broad and equitable access to sustainable credit for qualified borrowers while also promoting competitive markets and protecting taxpayers.

As a long-time Seller/Servicer with each of the GSEs, we are greatly invested in seeing FHFA and the Enterprises succeed. We hope that our comments below will help in achieving the goals outlined in your Strategic Plan and strengthen the success of the mortgage industry to provide a more equitable and sustainable environment for homeownership.

Strategic Goal 1: Secure the regulated entities' safety and soundness

As a leading, well-capitalized and regulated independent mortgage company we encourage continued engagement with all stakeholders to help identify and mitigate risks to both the Enterprises as well as the customers and markets we serve as an industry. Ensuring that efforts to protect the safety and soundness of the Enterprises are developed in full recognition of the strategic impacts on other sectors of the mortgage markets is critical to continuing to improve our system overall.



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To that end, we also encourage continued engagement with housing finance stakeholders to ensure the alignment, where possible and prudent, of eligibility requirements and standards for market participants across all programmatic and regulatory housing finance agencies in order to help reduce operational and market risk throughout our mortgage markets. We appreciate FHFA's leadership role in hosting active discussions around liquidity and capital concerns and support efforts to not simply increase those requirements, which could drive up costs and impact affordability. We encourage the development of effective solutions and facilities to fairly mitigate those risks across housing finance, such as consideration of expanding Federal Home Loan Bank membership eligibility to potential participants that align with the mission of the FHLB system.

Strategic Goal 2: Foster housing finance markets that promote equitable access to affordable and sustainable housing

As one of the leading originators of mortgages to low- to moderate-income customers, active service members and veterans and rural customers, Freedom fully supports the development of innovative products and services that help address the realities of systemic inequities for minority communities in obtaining access to mortgage credit. In doing so, we continue to emphasize that these innovations must fully incorporate a commitment to sustainability in order to ensure the protection of the wealth equity that homeowners accrue over time.

Investments in developing new products such as the 20-year LIFT mortgage, if thoughtfully structured and implemented, could help in significantly lowering the primary barriers to homeownership for first-time/first generation homebuyers. We believe the benefits of such concepts as accelerated equity accumulation could accrue to help close the equity gap for minority homeowners in both access to mortgage credit and wealth preservation, as well as help reduce risk across the housing finance system.

As the GSEs continue their innovation in programs that address affordability and equity to low- to moderate-income homeowners, we encourage continued collaboration with FHA and other federal housing agencies as additional affordable programs are developed. Existing structures such as special purpose credit programs and down payment assistance programs are other tools in the chest that, with open dialogue across industry, program administrators, regulators, and consumer groups, hold much promise to help enhance efforts to enhance equity, affordability, and sustainability.

In developing such innovations, we continue to emphasize the importance of ensuring the sustainability of any product over the long term. Additionally, as new



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products, programs and services are introduced that are outside of the current GSE product set, we believe that the Enterprises' Representations and Warranties Frameworks should evolve as well to ensure the recognition of changes to risk characteristics relative to the roles of Seller/Serviceers.

As we hopefully begin to emerge from the current COVID-19 National Emergency that has impacted so many homeowners across the country, we also encourage FHFA to take a timely leadership role in convening stakeholders from across the mortgage industry to analyse the effectiveness of the changes to the loss mitigation waterfalls, with the goal of identifying lessons-learned and permanently incorporating enhancements to default servicing standards, including counselling, outreach and product relief, in order to more effectively respond to any future crises.

Conclusion

Again, we appreciate FHFA's willingness to engage with stakeholders as you set your strategic priorities and thank you again for the opportunity to contribute Freedom's perspective. We look forward to working together as an industry to solve the challenges and find solutions for homeownership across the nation.

Sincerely,

Richard Jordan
SR. EVP, Chief Admin Officer