



March 11, 2022

To:

Federal Housing Finance Agency

From:

National Alliance of Community Economic Development Associations (NACEDA)

1660 L Street NW

Suite 306

Washington, DC 20036

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Re: FHFA's Strategic Plan: Fiscal Years 2022-2026

NACEDA thanks for the Federal Housing Finance Agency (FHFA) for this opportunity to comment on the agency's 2022-2026 strategic plan (the plan).

Overall, NACEDA urges FHFA, Fannie Mae, and Freddie Mac to engage more closely with the traditional community development sector, and with diverse communities that are underserved by traditional mortgage products and markets. Prior to the 2010 housing crisis, sectoral engagement from your institutions had been quite strong. They had partnered closely with the community development nonprofit and intermediary sectors to encourage mortgage access, technological advances, and product enhancements to ensure mortgage capital entered communities equitably.

We offer a few specific areas in which the plan could be improved.

The plan's Page 8 offers:

Objective 1.4: Identify options for incorporating climate change into regulated entity governance Means & Strategies to achieve the objective include:

- 1. Conduct research on the risks and effects of climate change on the housing finance system;*
- 2. Build on experiences with natural disaster response to ensure prioritization of climate change at FHFA and the regulated entities; and*
- 3. Improve climate data collection, analysis, and reporting.*

Comment: If the regulated entities are to conduct research on the risks of climate change on the mortgage market, it is critical for such research to carefully and explicitly consider how climate and mortgage dynamics are impacting low and moderate people and places and others who have historically had a harder time accessing the mortgage market. Articulating that in the

strategic plan, as is done in other parts of the plan, will help ensure research does not overlook those communities.

The plan's Page 9 offers:

Objective 2.3: Serve as a reliable source of information and analysis on the state of housing finance markets and related issues Means & Strategies to achieve the objective include:

- 1. Analyze and publish trends in house prices and the risk characteristics of mortgages;*
- 2. Publish data on the affordability of Enterprise-backed rental units;*
- 3. Conduct and publish research on issues affecting housing and financial markets;*
- 4. Conduct and lead forums on relevant housing finance issues; and*
- 5. Promote use of FHFA data products*

Comment: The strategic plan can be more direct about the inclusion of disadvantaged community and local community development organizations that utilize and/or benefit from Enterprise products in forums on relevant housing finance issues. Further, the 'promotion of FHFA data products' should include an ambitious effort to make those products accessible and usable for institutions representing low and moderate-income communities, such as NACEDA, its members, and other important institutions in the traditional community development field.

The plan's Page 9 offers:

Objective 2.2: Advance equity in housing finance, including through compliance with fair lending laws and regulations Means & Strategies to achieve the objective include:

- 5. Publish data and analysis on fair lending, fair housing, and equity topics.*

Comment: The enterprises should be pushed to do more than simply publish data and analysis. The plan should include an ambitious directive for the enterprises to get feedback on published data. They should put forward considerable effort to make those publications accessible and usable for institutions representing low and moderate-income communities, such as NACEDA, its members, and other important institutions in the traditional community development field.

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The plan's Page 10 offers:

Objective 2.4: Facilitate greater availability of affordable housing supply, including affordable rental housing Means & Strategies to achieve the objective include:

2. Continue to explore opportunities to further increase the number of 2–4-unit properties and manufactured housing and accessory dwelling units; and

Comments: NACEDA agrees this segment of the housing market is critical to affordable housing supply and is underserved by financiers and developers. We applaud FHFA for calling attention to it.

The plan's Page 10 offers:

Objective 2.4: Facilitate greater availability of affordable housing supply, including affordable rental housing Means & Strategies to achieve the objective include: 1. Oversee Enterprises' implementation of initiatives to increase the supply of housing affordable for low- and moderate-income households; 2. Continue to explore opportunities to further increase the number of 2–4-unit properties and manufactured housing and accessory dwelling units; and 3. Monitor the Enterprises' support of multifamily housing needs with a focus on affordable, underserved, and workforce segments of the market.

Comment: consider opportunities to encourage the Enterprises to build the capacity of the nonprofit lending and development sectors to encourage capital in areas where traditional financing is reluctant or resistant.