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October 12, 2020

Alfred M. Pollard, General Counsel
Attention: Comments/ RIN 2590-AB04
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, DC 20219

Re: 2021 Enterprise Housing Goals; (RIN) 2590-AB04

Dear Mr. Pollard:

Freddie Mac appreciates this opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed rule to implement the 2021 Enterprise Housing Goals (the Proposal).¹ We are committed to our statutory mission to provide liquidity, stability and affordability to the U.S. housing market. We commend FHFA for its thoughtful development of the Proposal and look forward to working toward our shared objective of supporting affordable and sustainable homeownership and rental opportunities across the country.

As FHFA notes, uncertainty over public health and the economic impacts of the COVID-19 pandemic has caused significant disruption in the housing market since March. These disruptions have continued, unabated, and have been exacerbated by social and environmental uncertainty. Accordingly, we strongly support FHFA's proposal to maintain the 2018-2020 housing goals' framework, benchmarks and goals through 2021. We also appreciate FHFA's commitment to adjusting the benchmarks and targets if market conditions, safety and soundness, or other circumstances necessitate such action.

We strongly support FHFA's efforts to advance affordable housing goals in the context of the Enterprises' overall public mission and safety and soundness principles. Freddie Mac takes seriously its Charter mission to provide liquidity and stability to the housing market and to promote affordability by responsibly providing access to affordable housing. Freddie Mac's Charter states our obligation to "facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with [the company's] overall public purposes, while maintaining a strong financial condition and a reasonable economic return."² We recognize that, even in conservatorship, we must fulfill the public purposes for which we were chartered:

- provid[ing] stability in the secondary market for residential mortgages;

¹ 2021 Enterprise Housing Goals, 85 Fed. Reg. 49312 (Aug. 13, 2020).

² 12 U.S.C. 1451 note.

- respond[ing] appropriately to the private capital market;
- provid[ing] ongoing assistance to the secondary market for residential mortgages, including activities relating to mortgages on housing for low-and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities; and
- promot[ing] access to mortgage credit throughout the Nation.³

Our overall public mission, consistent with safety and soundness principles, must guide the efforts to support affordable housing. FHFA has previously acknowledged that it “does not intend for the Enterprises to undertake uneconomic or high-risk activities in support of the goals”⁴ and believes “[m]aintaining sound underwriting discipline going forward is important for conserving the Enterprises’ assets and for supporting their mission in a manner in which the achievement of housing goals directly relates to actual market conditions.”⁵ Freddie Mac regularly evaluates market conditions, the credit environment, and the performance of our mortgage purchases in an effort to ensure that our business practices serve our mission to provide liquidity and stability to the mortgage market and promote affordable housing.

In this disrupted market and uncertain time, Freddie Mac’s countercyclical role is critical; we have seen in financial crises of the past that very low- and low-income families are the first to suffer when liquidity is constrained. Our affordable housing mission cannot be viewed in isolation and the affordable housing goals are but one metric of that mission. Throughout the year, Freddie Mac has supported our mission, and since March, we have worked with FHFA to support very low- and low-income borrowers and renters as they face new challenges associated with the pandemic. These efforts include forbearance allowances, tenant eviction moratoriums, and the development of tools to educate borrowers and renters on their options. We have remained in the market as other capital providers have exited, providing crucial stability. As FHFA continues to evaluate the market in connection with the affordable housing goals’ benchmarks and targets, and subsequently the Enterprises’ performance in meeting those goals, we encourage FHFA to take this important work of supporting the housing market during this unprecedented time into account.

We are committed to serving our public mission during this critical time and look forward to working with FHFA going forward.

Sincerely,



Wendell Chambliss
Vice-President and Deputy General Counsel
Freddie Mac

³ 12 U.S.C. 1451 note (b) [or Id.].

⁴ 75 Fed. Reg. 9034, 9035 (Feb. 26, 2010).

⁵ *Id.* At 9036.