February 28, 2021

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency, Eighth Floor
400 Seventh Street SW
Washington, DC

Attention: Comments/RIN 2590–AB12

Dear Mr. Pollard:

The National Community Reinvestment Coalition (NCRC) appreciates the opportunity to publicly comment on the Federal Housing Finance Agency's (FHFA) advance notice of proposed rulemaking on the Enterprise Housing Goals. NCRC has dedicated itself to the mission of building and protecting wealth in America's underserved communities for nearly 30 years.

Each time FHFA sets the Enterprise annual benchmark housing goals it represents an opportunity for the agency to fulfill the tremendous potential of the goals to ensure that Fannie Mae and Freddie Mac ("the Enterprises") exert leadership in helping to address some of the most pressing affordable housing challenges across the single-family and multifamily markets. We urge the FHFA to:

- ✓ Revisit the agency's policies that constrain the ability of the Enterprises to meet the mission in their charter and robust housing goals;
- ✓ Refrain from excluding loans from housing goals credit under "unacceptable business and lending practices" authority or targeting the low-income areas goal to opportunity zones;
- ✓ Consider that gentrification and displacement are highly concentrated, therefore any revision to the low-income areas goal should be targeted and consider the impact on borrowers of color;
- ✓ Remain focused on setting and ensuring the Enterprises reach an annual numeric target percentage of mortgage purchases and ensure that the targets is set, among other statutory considerations, to reflect leadership of the market;
- ✓ Provide an annual and written impact analysis of FHFA's policies, including those related to capital and liquidity, the Treasury-FHFA Preferred Stock Purchase Agreements (PSPAs), pricing, product development, and risk appetite constraints on the Enterprises housing goal performance as well as on the affordability and availability of conventional mortgage credit for lower-income borrowers and borrowers of color;
- ✓ Require the Enterprises meet or exceed both the benchmark and market metrics, at a minimum, and consider setting two-year goals;

- ✓ Support expanded offerings of mortgage products to address the credit access and affordable housing supply challenges and greater outreach and partnerships in communities of color; and

- ✓ Provide better and more frequent data on the goal-qualifying segments and the progress of borrowers of color in accessing the market.

Since their adoption, the affordable housing goals have driven significant affordable housing activities and innovations at the Enterprises as they seek to respond to gaps in the mortgage market that inhibit access to credit for low- and moderate-income (LMI) borrowers and in LMI communities and communities of color. The housing goals had a history of expanding access to sustainable homeownership for LMI homebuyers and families of color prior to the subprime lending crisis.[1] The Enterprises' low down payment products and other affordable loan product offerings, stakeholder outreach and partnerships, market research, investments and grantmaking have been and continue to be key in their efforts to meet the housing goals' annual loan purchase targets. As important, however, have been the policies set by FHFA as conservator that impact the ability of the Enterprises to facilitate affordable housing consistent with their charters. We have expressed continuous concern about the impact of various FHFA conservatorship policies on the ability of the Enterprises to respond to the scale of the affordable housing challenge facing the country as well as their role in addressing the racial wealth gap.

FHFA should revisit policies that constrain the ability of the Enterprises to meet the affordable housing mission in their charter and to meet robust affordable housing goals

The efficacy of the affordable housing goals going forward is also connected to FHFA policies, as well. In many instances, FHFA policies are a barrier. Following the financial crisis and over the course of FHFA's conservatorship of the Enterprises, many borrowers have been "boxed out" of the mortgage market by extraordinary credit standards[2] and the extent of risk-based pricing[3] at the Enterprises and in the overall mortgage market. FHFA has also set low affordable housing goals and the Enterprises missed many of the goals deemed to be feasible to meet or underperformed the market on several occasions. At times, their affordable housing staff ebbed; there have been restrictions on loan product development and pilots developed in response to the Enterprises' market research identifying gaps in access to mortgage credit and affordable housing challenges; their contributions to the Housing Trust Fund and the Capital Magnet were suspended for a period and stakeholder outreach pared back; a 250% increase in guarantee fees since 2009 and the move to risk-based pricing has been compounded

---

[1] *See* Brent W. Ambrose, Thomas G. Thibodeau, and Kenneth Temkin, *An Analysis of the Effects of the GSE Affordable Goals on Low- and Moderate-Income Families* (May 2002). ("In analyzing homeownership rate changes between 1991 and 1997 in 80 cities, we found that the GSEs, by purchasing loans originated to low-income families, helped to reduce the disparity between homeownership rates for low-income and higher income families."). See also *Don't Blame the Affordable Housing Goals for the Financial Crisis,* NCRC (2018*).*

[2] *Squeaky-clean loans lead to near-zero defaults-and that is not a good thing*, Urban Institute (August 31, 2016).

[3] Michael Calhoun and Sarah Wolff, *Who Will Receive Home Loans and How Much Will They Pay?* Urban Institute (June 2, 2016)

by the reaction of private mortgage insurers to FHFA's Private Mortgage Insurer Eligibility Requirements.

While we expressed concern about their years of not retaining a capital buffer, we are now concerned that FHFA's 2020 capital rule imposes bank-like capital requirements that will increase mortgage costs and reduce the availability of credit for LMI and minority borrowers. The recent changes to the FHFA-Treasury Preferred Stock Purchase Agreements (PSPAs), capping the Enterprises multifamily business and their purchases of some single-family mortgages based on loan-to-value (LTV), debt-to-income (DTI) and credit score, among other provisions, will also limit the Enterprises ability to reach LMI home buyers and borrowers of color going forward. Fannie Mae reported that based on FHFA's interpretive guidance and an initial assessment of their purchase activities, they are not in compliance with the new LTV, DTI and credit score restrictions on their single-family business.[4] Presumably, they will have to shrink their business to meet these requirements. Freddie Mac has reported that their "risk appetite constraints may make it difficult for us to meet our affordable housing goals in the future."[5]

Tight credit standard impacts LMI and minority borrowers most

Tightening credit standards in the wake of COVID-19 are predictable but there are troubling signs that lower-income and minority homebuyers are facing barriers to access and affordability of conventional mortgage credit. The Mortgage Bankers Association reported this month that even with overall credit availability picking up in three of the last four months, credit supply is still at its tightest level since 2014.[6] As the last crisis made clear, lower-income, African American and Hispanic households disproportionately bear the impact of overly tight mortgage lending standards.[7] While FHFA noted that loan risk factors such as average credit scores, DTI and LTV ratios on the Enterprises' second quarter acquisitions of purchase mortgages changed only slightly in 2020 compared to 2019, this is inadequate to ensure that creditworthy lower-income and home buyers of color have access to affordable mortgages and homeownership. In 2019, only 4.8% of Fannie Mae guarantees and 3.6% of Freddie Mac's were for home purchase loans to Black borrowers, and 4.1% and 3.7% of refinance loans.[8]

Well before the COVID-19 crisis, we were concerned about the nation's growing racial wealth gap as well as slowing economic mobility. While recent years evidenced Black and Hispanic wealth growing faster than Whites, minority wealth remains between 10% and 20% of White wealth.[9] The typical White family has eight times the wealth of the typical Black family and five times the wealth of the typical Hispanic family. For millions of LMI families and those living in underserved communities, a home is the single most important financial asset they will ever own, and for minority households, it

---

[4] Fannie Mae, Annual Report on Form 10-K (2020), p. 19.
[5]Freddie Mac, 2020 Annual Report on Form 10-K , p. 169.
[6] Mortgage Credit Availability Index. MBA, February 2021.
[7] *Overly tight credit killed 1.1 million mortgages in 2015*, Urban Institute (November 21, 2016) and *Tight credit has hurt minority borrowers the most*, Urban Institute (April 8, 2015).
[8] FHFA Annual Housing Report, at p. 11, Table 6 (October 2020).
[9] Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances, FEDS Notes, Board of Governors of the Federal Reserve System (September 28,2020). Freddie Mac Affordable Housing Advisory Council, November 2020.

is a significant source of household wealth.[10] Overall, housing equity makes up about two-thirds of all wealth for the typical (median) household, with the racial wealth gap being largely a housing wealth gap. [11]

There is also little doubt that economic mobility is linked to one's starting point in life (e.g., the wealth of one's parents, the economic and social health of the community in which one is born).[12] Among younger households, about 46% of White families own their home, compared to 17% of Black families, which likely reflects differences in parental wealth and the likelihood of receiving parental help with a down payment or an inheritance or gift.[13]

The Enterprises affordable housing goals should be set consistent with equitable access

Where the housing goal annual numeric benchmarks are set, how their performance is measured and what mortgage loans are deemed goal-qualifying are directly related to the accessibility and affordability of conventional mortgage credit for LMI borrowers as well as market responses to the lack of sufficient affordable housing inventory. They are central to how LMI and households of color access the wealth-building opportunity of homeownership and ascend the ladder of economic mobility. They are also critical to neighborhood stabilization.

> *Question 1: Are there categories of loans that should be excluded from receiving housing goals credit under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) provisions on ''unacceptable business and lending practices''?*

FHFA should refrain from excluding loans from housing goal credit. The Dodd-Frank Act and the CFPB's qualified mortgage rules generally require lenders to verify that a home buyer has an ability to repay a mortgage according to the loan terms. They also protect against certain predatory loan product features prevalent in the run-up to the financial crisis, including negative amortization, interest-only payments, balloon payments and loan terms exceeding 30 years. The Treasury-FHFA PSPAs also contains additional restrictions on the single-family loans that the Enterprises can purchase. Fannie Mae may have to shrink their single-family business to come into compliance with the PSPAs' LTV, DTI and credit score requirements.[14] Freddie Mac reported that their "risk appetite constraints" may make

---

[10] Herbert, C. E., McCue, D. T., & Sanchez-Moyano, R. (2013). Is Homeownership Still an Effective Means of Building Wealth for Low-income and Minority Households? (Was it Ever?). Harvard University, Joint Center for Housing Studies.

[11] Janelle Jones, *The racial wealth gap: How African-Americans have been shortchanged out of the materials to build wealth.* See also, *The Ever-Growing Gap: Without Change, African-American and Latino Families Won't Match White Wealth for Centuries*, Prosperity Now (August 2016); and Protect Our Progress: *The State of Black of America,* The National Urban League (2017).

[12] Ray Boshara and David Buchholz, *Economic Mobility: An Overview*, The Federal Reserve Bank of St. Louis.

[13] Id. at 9, FED Notes.

[14] Id. at 5

it difficult for them to meet their affordable housing goals in the future."[15]

We recognize that borrowers traditionally underserved by the conventional market may have characteristics that appear high risk. Both Fannie Mae and Freddie Mac have a long history of guaranteeing mortgages to borrowers that are safe and sustainable with well-researched loans products, including low down payment products such as HomeReady and Home Possible, and utilizing compensating factors that augment lower credit scores or thin credit files, higher DTI and LTV ratios.[16] We urge FHFA to validate alternative credit scoring models and to continue supporting work around utilizing alternative and additional data sources, such as rental history, that can facilitate automated underwriting of borrowers who may have thin credit files and may otherwise be referred for manual underwriting.

> *Question 2: Are there ways to determine whether the low-income areas home purchase subgoal has resulted in the displacement of residents from certain communities, or to measure the extent of any such displacement? Should FHFA consider modifying the low-income areas home purchase subgoal to address such concerns? If so, how?*

NCRC research examined the educational level and economic status of residents, property values, changes in the population of racial subgroups and other data from 2000 to 2013 and found that gentrification and displacement were most intense in the nation's biggest cities, and rare in most other places.[17] One of the impacts of a shortage of affordable housing inventory is that in cities like Washington, D.C., and Los Angeles, older more affordable homes are being raided by higher-income households - a main driver of gentrification.[18] Gentrification presents a challenge to communities that are trying to achieve economic revitalization without the disruption that comes with displacement. While it is desirable to have an income mix of borrowers in low-income and high minority census tracts in order to promote economic diversity, an imbalance of lending with the majority of loans being granted to higher income borrowers results in displacement.

---

[15]Freddie Mac, 2020 Annual Report on Form 10-K,

[16] Critics of the housing goals have blamed the policy for the housing crisis, but the research indicates otherwise. See *Don't Blame the Affordable Housing Goals for the Financial Crisis,* NCRC (2018*). ("*We also studied at length how the Department of Housing and Urban Development's (HUD's) affordable housing goals for the GSEs affected their investment in risky mortgages. Based on the evidence and interviews with dozens of individuals involved in this subject area, we determined these goals only contributed marginally to Fannie's and Freddie's participation in those mortgages." at xxvii. "Using data provided by Fannie Mae and Freddie Mac, the FCIC examined how single-family, multifamily, and securities purchases contributed to meeting the affordable housing goals. In 2003 and 2004, Fannie Mae's single- and multifamily purchases alone met each of the goals; in other words, the enterprise would have met its obligations without buying subprime or Alt-A mortgage– backed securities. In fact, none of Fannie Mae's 2004 purchases of subprime or Alt-A securities were ever submitted to HUD to be counted toward the goals.").

[17] Jason Richardson, Bruce Mitchell, PhD, Juan Franco, *Shifting Neighborhoods: Gentrification and Cultural Displacement in American Cities*, NCRC, March 2019, https://ncrc.org/gentrification/. ("Seven cities accounted for nearly half of the gentrification nationally…Displacement of black and Hispanic residents accompanied gentrification in many places and impacted at least 135,000 people in our study period…National rates of gentrification are low in towns and smaller cities, with 76 percent of urban areas not experiencing any gentrification under our criteria.

[18] Freddie Mac Affordable Housing Advisory Council, November 2020.

The Federal Home Loan Banks (FHLBs) housing goals, a much smaller player in the mortgage market, adopted a 25% limit on loans to families above 80% of area median income in low-income census tracts. This approach was seen as not too restrictive in that it will not cut off loans for non-low-income families. At the same time, it preserves opportunities for low-income families, especially in areas that are gentrifying.

There are varying approaches on displacement that could be considered, including a FHLB-like volume cap on loans above a certain income threshold as well as a more targeted income/volume approach in those cities and areas where there is evidence of gentrification. Because gentrification and displacement are highly concentrated, with many other low-income areas and high minority communities lacking investment, a more target approach is warranted.[19] It is critical to understand the impact of the various types of caps on borrowers of color. FHFA should disaggregate the data in Tables 1 and 2 in the key markets where there are gentrifying communities and where there are clear trends of a majority of higher income households buying in low-income and high minority areas. We are particularly interested in how a change might impact the 1.7 million "mortgage-ready" Black millennials in 31 cities that the Enterprises have identified.

Question 3: Should FHFA revise the low-income areas home purchase subgoal to consider loans on properties located in Opportunity Zones, and if so, how should such loans be treated?

We do not believe that FHFA should revise the low-income areas home purchase goal to give special consideration or target credit for mortgages in Opportunity Zones. Despite the fact that most Opportunity Zones (OZs) are in those places in dire need of investment, there is very little data collection and reporting about investments in these communities and whether they have been equitable. Scores of interviews with a range of mission-oriented stakeholders suggest that, two years into the program, OZs are providing the biggest benefit to projects with the highest returns, which are rarely aligned with equitable development.[20] In a follow-up report on gentrification, covering data from 2012 to 2017, we once again found that gentrification and displacement are highly concentrated, but remains a significant threat to minority and LMI families in some of the largest and most

---

[19] *See* id at note 3, NCRC's *Shifting Neighborhoods* which adopted a methodology used by the Philadelphia Federal Reserve. In addition, a combination of other data points to track might include the number of residential rental eviction filings, completed evictions and eviction rates; the number of foreclosures initiated; the number of foreclosure sales completed; the number of homes sold due to property tax foreclosure; the number of tax lien certificates sold; the number of purchases or transfers of property owned by distressed or delinquent borrowers, including data on whether borrowers received a permanent modification of their loan and whether borrowers transferred their property through a deed-in-lieu or short sale; the number of land installment contracts entered into; the number of small business exits by census tract and census block group.

[20] Brett Theodos, Jorge Gonzalez, and Brady Meixell, *The Opportunity Zones Incentive Isn't Living Up to Its Equitable Development Goals. Here are Four Ways to Improve It*, Urban Institute (June 17, 2020).

prosperous parts of the country.[21] In these cities, Opportunity Zones overlap gentrification to a high degree and the ability for residents to resist displacement will be harder.[22]

Evaluate the Enterprises goal performance based on a strong numeric benchmark as well as FHFA policies

FHFA also asks if other support activities undertaken by the Enterprises should be considered when FHFA reviews the Enterprises' goal performance. Unlike the Duty to Serve law, the statute governing the housing goals is clear on how the annual targets are to be set, the factors to be considered including their "ability to lead the industry." It is key that FHFA remains focused on setting and the Enterprises remain focused on reaching an annual numeric target percentage of their mortgage purchases and that the target set, among other statutory considerations, reflects market leadership. Setting the housing goals at the average of the agency's market forecast does not reflect leadership.

Since both Enterprises have raised concerns about the impact of FHFA's capital requirements on their business, risk appetite limits constraining the ability to meet the housing goals and a lack of compliance with the Treasury-FHFA PSPAs mortgage acquisition limits, FHFA must also provide an annual and written impact analysis of whether its policies, including those around capital and liquidity, pricing, product development and acquisitions are impacting the ability of the Enterprises to meet the mission in their charter and affordable housing goals that reflect each of the statutory considerations in 12 U.S.C. 4562(e)(2)(B). Whether, based on the data, the agencies' conservatorship policies have struck an appropriate balance between maintaining a sound financial condition and facilitating mortgage market liquidity, leadership and access in underserved markets. The report should also make public any fair housing and fair lending analysis of its policies that it has completed.

Additional considerations for the next set of Enterprise housing goals:

We have also offered a number of other proposals in the past that FHFA should consider in setting the next round of affordable goals.

The two-part approach to the goals does not provide enough incentive for market leadership. We continue to have concerns about the current two-part approach to the goals. Enterprises can comply with their housing goal obligations by meeting either the prospective "benchmark" level or a retrospective "market" level. In NCRC's 2014 and 2017 comments, we laid out a number of reasons why we believe the current approach to the goals is inconsistent with the statute. It fails to reflect the law's intent: to maximize access to credit for creditworthy, low- income borrowers consistent with a sound financial condition. Too frequently, the Enterprises are not keeping pace with market originations - in many instances simply matching or lagging the goal-qualifying segments of the market as well as the broader

---

[21] See also *Gentrification and Disinvestment 2020*, NCRC (June 2020) https://ncrc.org/gentrification20/. This is follow-up report covering data from 2012 through 2017.
[22]See *Gentrification and Opportunity Zones* (NCRC).

conventional market in making credit available for low-income and minority borrowers and communities.

In 2010, when the two-part approach was proposed, FHFA recalled the legislative history of the housing goals. The housing goals law stemmed from a concern that Enterprise purchases had not kept pace with market originations of mortgages to LMI borrowers.[23] In the early 1990s, Congress determined that, even with Fannie Mae's 30% benchmark in place, the Enterprises' mortgage purchase activities were not adequately meeting credit needs in underserved markets. And so, in 1992, Congress enacted the Federal Housing Enterprises Financial Safety and Soundness Act, once again charging the Department of Housing and Urban Development with establishing and enforcing numeric housing goal targets. According to the 1992 Act's legislative history, it was expected that the Enterprises would "lead the industry" in making mortgage credit available to targeted borrowers and that the Enterprises would have to "stretch" to meet the goals.[24] The market challenges resulting from COVID-19, such as tightening credit standards and higher and more risk-based pricing, warrant stronger policy action and greater market leadership by the Enterprises to ensure an equitable recovery and that lower-income and borrowers and communities of color continue to have access that is affordable in the conventional mortgage market.

At a minimum, the Enterprises should have to meet or exceed both metrics. Notwithstanding our continuing concerns about the current approach, we have joined others in urging in the past that the two-part approach could be improved by requiring the Enterprises to meet both the benchmark and the market metric. Additionally, meeting the market metric and by how much Fannie and Freddie exceed the market should be a significant factor in evaluating the Enterprises' performance on a housing goal.

Two-year goal setting. FHFA should consider establishing two-year goals instead of three-year goals. Our analysis of the market estimation model's past performance indicates that underestimation of the market is at its most severe in the agency's third-year forecasts, which FHFA has conceded involves a much greater degree of uncertainty. Due to this uncertainty and the harm caused by a market underestimation's ability to frustrate the purpose of affordable housing goals, NCRC recommends the agency's proposed rulemaking cover only a two-year period, 2021 and 2022, rather than three years.

Expand Offering of Affordable and Sustainable Mortgage Products; Bonus Points

Both Enterprises should also call upon their institutional knowledge of safe and sustainable products, investments and partnerships so that both can better fulfill their affordable housing missions and ensure better mortgage access for lower-income and lower-wealth home buyers and borrowers of color.

---

[23] S. Rep. No. 102-282, at 10-11 (1992). Federal Register /Vol. 75, No. 38 at 9035.

[24] Ibid.

The Enterprises have offered a variety of products that performed well through the last financial crisis that they should offer now to address identified affordability issues. The conservatorship should not inhibit the Enterprises from exercising greater market leadership on affordability and introducing more affordable products into the market to address both access and housing supply challenges. For example, the Enterprises have developed and/or offered: sweat equity mortgage products; products for workforce housing; Native American products customized to tribal lands; working mortgages that allow faster pay-off; modifiable mortgages; products for those with disabilities; mortgage products that include mortgage cancellation insurance; renovation and construction loan products. Greater product variety that addresses the affordability challenges facing today's borrowers can help maximize access to credit consistent with prudent risk management. The Enterprises have substantial knowledge about those products that can work consistently with safe and sound lending. A requirement of housing counseling would also ensure such lending is sustainable for borrowers and safe and sound for the Enterprises. FHFA should also support calls for the Enterprises to create a streamline refinance program to make rate and term refinancing more available to lower-wealth borrowers and borrowers of color.

NCRC's 2017 comment also urged the Enterprises to re-consider temporary bonus points and temporary adjustment factors, which have a demonstrated history of success of expanding access quickly where gaps in the market occur. These incentives can be short term but could have tremendous impact on the availability of credit in underserved markets, including those not eligible for Duty to Serve credit.

The Importance of Outreach to Key Demographics & Partnerships

Both Fannie Mae and Freddie Mac have a history of working with and training effective intermediaries that serve families of color and of modest means. The Enterprises have partnered more with local nonprofits in the past. They have also invested in Community Development Financial Institutions to facilitate affordable housing. They should do both to a greater degree going forward.

In conservatorship, both Enterprises have partnered less and spent millions less on outreach in underserved communities. When the Enterprises partner with effective intermediaries and community-based organizations - minority mortgage brokers and realtors, minority mortgage lenders, churches, trade associations and other organizations that reach the nation's most underserved borrowers and communities – they build local homeownership capacity and help facilitate access to sustainable credit in LMI communities and communities of color. Robust housing goals can encourage the Enterprises to expand their marketing, outreach and partnerships in the nation’s most underserved communities, given substantial affordable housing needs and challenges and demographic trends.

FHFA and the Division of Research and Statistics should provide more information about the goal-qualifying segment and borrowers of color

FHFA also created the Division of Research and Statistics to strengthen its data collection and analysis capabilities, enabling FHFA to understand, in real-time, how circumstances

have changed over the course of the pandemic and how lower-income and borrowers of color are accessing the market. The agency should use these and other capabilities to implement new measurements to track the progress of borrowers of color.

As mentioned above, the Enterprises have a significant history of developing underwriting guidelines and products, making investments and developing partnerships that have safely expanded credit to underserved communities. This should grant the Enterprises the flexibility to call on their considerable historical data of safe and sustainable products and investments to ensure the broadest possible market of creditworthy borrowers is served across the credit spectrum as the nation recovers, including those who are LMI, minority and rural.

As the nation recovers and on at least a quarterly basis and as any adjustment to the goals is considered, the agency should continue to provide and expand timely information to the public about the Enterprises acquisitions in the markets targeted by the goals as well as the affirmative steps the Enterprises are taking, including products, pricing, outreach, partnerships, initiatives to address gaps in access and affordability that may be developing for underserved segments of the market as a result of COVID-19, to include the following:

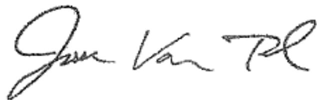
- trends in the goal-qualifying segments of the markets and specifically about Enterprise acquisitions and performance;
- more frequent demographic profiles and borrower income on Enterprise acquisitions;
- performance of affordable housing products and offerings that are targeted at addressing goal-qualifying segments of the market;
- performance of the HomeReady and Home Possible loan products and any related outreach to sellers, realtors, housing finance agencies and nonprofits to improve market distribution of those and other affordable products;
- enhancement to Desktop Underwriter and Loan Prospector to expand access or address gaps in access to lower-income borrowers, Black and Hispanic borrowers, first-time home buyers and underserved communities;
- any pilots and other new initiatives focused on lower-income and minority home buyers;
- key partnerships with housing finance agencies and intermediaries, and any other outreach efforts at the point of sale targeted at improving access for thegoal-qualifying segments of the market;

- other strategies, such as cash spot bids, affordable bulk deals and credit model changes.

Conclusion

The Enterprises own or guarantee approximately $6 trillion in mortgages. That includes about 43% of multifamily units, about 8.6 million households, and more than half of single-family mortgages. FHFA acknowledged that the agency's policies help set standards for the entire mortgage market. Through their affordable housing goals and related policies, they have tremendous power to ensure that LMI home buyers and minority home buyers have equitable and affordable access to the mortgage market as the nation recovers from the COVD-19 crisis. While FHFA and the Enterprises are taking critically important steps to address issues around mortgage servicing and loss mitigation, given the scale of the COVID-19 public health and economic crisis, it is equally important that the agency and the Enterprises address the access and affordability challenges facing lower-income borrowers and borrowers of color. If you should have any questions, then please contact Gerron Levi, our Senior Director of Government Affairs at 202-464-2708.

Sincerely,



Jesse Van Tol
Chief Executive Officer