

October 25, 2021

Clinton Jones
General Counsel
Federal Housing Finance Agency
400 Seventh Street SW
Washington, DC 20219

**RE: 2022-2024 Enterprise Housing Goals
(RIN 2590-AB12)**

Dear Mr. Jones:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the proposed benchmark levels for housing goals and subgoals for 2022 through 2024 issued by the Federal Housing Finance Agency (FHFA). HCUA applauds the FHFA for setting ambitious goals for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the government-sponsored enterprises or GSEs) the in line with their missions to provide access to stable and affordable housing for all communities.

Background

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 requires the FHFA to establish annual housing goals for mortgages purchased by the GSEs. These housing goals allow the FHFA to create measurable objectives so it can reliably determine whether the GSEs are meeting their affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return.

These measurable benchmarks include single-family goals and multifamily goals. Single-family goals include the purchase of home refinance mortgages of low-income families and purchase mortgages for low-income families, very low-income families, families that reside in low-income areas. Multifamily goals include categories for mortgages on properties with rental units affordable to low-income and very low-income families. Both types of goals include subgoals with even more specified targets, such as those to families in minority census tracts or the number of units in a multifamily property. Each of these goals is measured as a percentage of the total home purchase mortgages purchased by the GSE. Single-family goals can be met by exceeding the benchmark level set prospectively by the final rule, or a market level determined retrospectively based on Home Mortgage Disclosure Act (HMDA) data for that year. Multifamily goals are only met by exceeding the benchmark level set in the housing goals.

The proposed enterprise housing goals would establish new benchmark levels for the housing goals and subgoals for the period covering 2022 through 2024. The proposed rule would also replace the low-income areas subgoal with separate area-based subgoals targeting minority census tracts and low-income census tracts and make several technical changes to definitions and other provisions to conform the regulation to existing practice.

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General Comments

HCUA strongly supports the FHFA's efforts to ensure that the GSEs meet their public mission and responsibilities to low-income and very low-income borrowers and communities. HCUA supports the FHFA's area-based subgoals as described in the Proposed Housing Goals. As stated in the response to the advanced notice of proposed rulemaking, HCUA believes the FHFA should continue to monitor and analyze trends regarding potential displacement of residents in connection with the low-income area home purchase subgoal. Restructuring the goal to separately track loans in low-income census tracts that are not minority census tracts and loans to borrowers above 100 percent of area median income in low-income, minority census tracts will provide the FHFA with important data over the next several years to identify and address whether the enterprise housing goals are unintentionally contributing to the displacement of low-income families. Further, it would ensure that the housing goals clearly incentivize investment in minority census tract neighborhoods.

HCUA also supports the benchmark levels in the Proposed Housing Goals as being both realistic and achievable. The benchmark levels are appropriately higher than in years past to support the GSEs' mission to enable equitable and sustainable access to affordable housing. Overall, HCUA strongly supports loans made to low-income and very low-income borrowers and communities and believes that goals providing credit for making these loans are critical to ensuring that the GSEs properly center this mission in their work.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive, flowing style.

Brad Douglas
President/CEO