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Fair Lending Proposed Rule Meeting Summary

Meeting: Telephone call with the Federal Housing Finance Agency (FHFA) and Freddie Mac on June 8th, 2023.

Participants: James Wylie (FHFA)

Annalyce Shufelt (FHFA)

Sarah Friedman (FHFA)

Sophie Cooksey (FHFA)

Laura Arandes (Freddie Mac)

Courtney Lindsay (Freddie Mac)

Timothy Smyth (Freddie Mac)

Subject: Comments and questions from Freddie Mac to FHFA regarding the Fair Lending Proposed Rule.

Summary:

On June 8th, 2023, the individuals listed above met to discuss the Fair Lending Proposed Rule.

Topics addressed include:

- Use of the term “direct” and its potential ambiguity related to board oversight
- Language used to describe board duties in the FHFA governance rule
- Definition of “barrier”
 - Suggestion to change wording from *contributes to* to *related to* an underserved community’s limited share of housing opportunities
- Unfair and Deceptive Acts or Practices (UDAPs)
 - Inquiry about what kind of UDAPs are typically looked at
 - Use of existing guidance and frameworks
 - Understanding how UDAPs are applied to Freddie Mac’s business model
- Promulgation of Prudential Management Operations Standard
 - Scope of FHFA’s PMOS authority
 - PMOS framework
 - Potential litigation and oversight
- Meaningful Actions
 - Whether rule allows programs to “double-count” for multiple purposes
 - Specificity of categories and topics
- Certification of compliance with fair lending laws

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- Language from Freddie Mac seller/servicer certification
 - Meaning of certification
 - Discussion of alternative language
- Significant Dedication of Resources
 - Public release of information about monetary amounts
 - Ensuring third party contributions are not disincentivized
 - Value of resources that aren't monetary are hard to quantify
 - Suggestion that resource disclosure become private or confidential
- Data Collection
 - Scope of data collection and reporting for housing counseling and education (required programs vs. all loans)