



October 20, 2021

Ms. Sandra L. Thompson  
Acting Director  
Federal Housing Finance Agency  
400 Seventh Street SW  
Washington, D.C. 20219

Dear Director Thompson:

As organizations committed to increasing homeownership and rental opportunities for low- and moderate-income Americans, we write with concern about the Duty to Serve Underserved Markets Plans for 2022-2024, submitted by Fannie Mae and Freddie Mac in May of 2021, under the prior Director. Amid a housing affordability crisis that requires bold and aggressive action, Fannie Mae and Freddie Mac have set forth plans that fail to effectively reach those not served or not served well by the conventional mortgage market.

We respectfully urge the Federal Housing Finance Agency to pause the effective date of the plans while requesting substantially improved written proposals from the Enterprises that would be available for public comment as soon as practicable, that will allow for public input prior to implementation in 2022. Among other concerns, we believe these three-year plans do not fully articulate a strategic vision for meeting the spirit or the letter of the Duty to Serve Regulation; they inappropriately propose to drop highly touted and much needed programs such as purchasing manufactured housing loans titled as personal property without explanation; and they propose to reduce loan purchase targets for all three target areas—manufactured housing, affordable housing preservation, and rural housing.

In addition, we urge FHFA to make regulatory changes to give Fannie Mae and Freddie Mac greater flexibility in achieving the purposes of Duty to Serve and the new racial equity planning process. These include revising overly cautious capital requirements, encouraging rather than discouraging piloting new affordable housing products with the potential to reach underserved markets, and reversing a regrettable legal opinion that effectively prevents Fannie Mae and Freddie Mac from making targeted equity investments through community development financial institutions and other mission-oriented entities that could exponentially serve communities in need of affordable mortgage financing.

Finally, we commend FHFA's recent decision to begin a racial equity strategic planning process, and we hope that this process leads to robust implementation, and ultimately, new housing opportunities for families.

We thank you for your leadership and look forward to working with you to ensure that all Americans have access to the opportunity that comes with safe, stable, and affordable housing.

Respectfully,

**The Underserved Mortgage Markets Coalition**

Center for Community Progress

cdcb

Enterprise Community Partners

Fahe

Grounded Solutions Network

Housing Assistance Council

Housing Partnership Network

Lincoln Institute of Land Policy

Local Initiatives Support Corporation

National Council of State Housing Agencies

National Community Stabilization Trust

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