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February 26, 2021

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN-2590-AB12  
Federal Housing Finance Agency  
Eighth Floor, 400 Seventh Street SW  
Washington, DC 20219

Re: Advance Notice of Proposed Rulemaking on Enterprise Housing Goals/85 FR 82965/  
RIN-2590-AB12

Dear Mr. Pollard:

The Credit Union National Association (CUNA) proudly represents America's credit unions and their more than 120 million members. On their behalf, we write in response to the Federal Housing Finance Agency's (FHFA) advance notice of proposed rulemaking (ANPR) requesting public comment on questions related to potential changes to the regulation<sup>1</sup> establishing housing goals for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac, and together with Fannie Mae, the GSEs or Enterprises).<sup>2</sup> FHFA will consider public comments received on these questions to inform rulemaking planned for 2021 to establish single-family and multifamily housing goals benchmark levels for 2022 and beyond and to make other changes to the Enterprise housing goals regulations, as appropriate.

## GENERAL COMMENTS

As CUNA previously mentioned in several comment letters, we strongly support 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.<sup>3</sup> This support is consistent with CUNA's Housing

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<sup>1</sup> 12 CFR part 1282.

<sup>2</sup> Enterprise Housing Goals, 85 Fed. Reg. 82965 (Dec. 21, 2020).

<sup>3</sup> See, e.g., CUNA Comment Letter on 2021 Enterprise Housing Goals Proposed Rule, Oct. 13, 2020, available at [https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment\\_Calls\\_Letters\\_and\\_Testimonies/2020/Comment\\_Letters/CUNA%20Comment%20Letter%20-%20GSE%20Housing%20Goals%20-%20FINAL.pdf](https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment_Calls_Letters_and_Testimonies/2020/Comment_Letters/CUNA%20Comment%20Letter%20-%20GSE%20Housing%20Goals%20-%20FINAL.pdf); CUNA Comment Letter on FHFA Strategic Plan: 2021-2024, Oct. 5, 2020, available at [https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment\\_Calls\\_Letters\\_and\\_Testimonies/2020/Comment\\_Letters/FHFAStrategicPlanCommentLetter%20-%20FINAL.pdf](https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment_Calls_Letters_and_Testimonies/2020/Comment_Letters/FHFAStrategicPlanCommentLetter%20-%20FINAL.pdf); CUNA Comment Letter on Enterprise Regulatory Capital Framework, Aug. 31, 2020, available at

Reform Principles, which include “[a]n emphasis on affordability, in recognition of the fact that smaller lenders, such as credit unions, often meet mortgage needs that banks are unwilling or unable to address in rural and working-class communities.”<sup>4</sup> Credit unions’ commitment to this lending is illustrated by data showing that in the first three quarters of 2020 alone, credit unions originated \$210 billion in first lien mortgages, which translates into \$280 billion on an annualized basis. In total, credit unions sold \$86.4 billion (\$115 billion annualized) in first lien mortgages on the secondary market - an amount equal to 41% of the total originated.”<sup>5</sup>

## **SPECIFIC COMMENTS ON QUESTIONS**

FHFA is seeking feedback on whether there are categories of loans that should be excluded from receiving housing goals credit under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992<sup>6</sup> (Safety and Soundness Act) provisions on “unacceptable business and lending practices.” The Safety and Soundness Act makes FHFA responsible for establishing and measuring compliance with certain annual housing goals for both single-family and multifamily mortgages purchased by Fannie Mae and Freddie Mac.

The safety and soundness of the Enterprises is very important to credit unions and should remain the top priority of the FHFA. That said, the FHFA must balance safety and soundness with credit availability for consumers. We believe the FHFA should not exclude particular categories of loans from receiving housing goals credit, absent thorough evidence that shows the performance of certain loan products to be unsustainable and therefore not helpful in promoting home ownership.

The FHFA also asked if there are ways to determine whether the low-income areas home purchase subgoal has resulted in the displacement of residents from certain communities. We believe the FHFA should continue to monitor and analyze trends regarding this subgoal, as mentioned in the ANPR. Further analysis of census tracking data over the next five years could provide the information necessary to determine if certain classes of residents have been displaced from their communities.

Furthermore, the FHFA asked whether it should revise the low-income areas home purchase subgoal to consider loans on properties located in Opportunity Zones, and if so, how these loans should be treated. We believe that providing low-income and very-low income borrowers the opportunity to purchase homes using community lending loan products in Opportunity Zones would benefit these borrowers by allowing them to purchase homes in areas that are in a renewal phase and developing economically. In addition, promoting homeownership in these areas would help in the renewal and economic development of the areas. Overall, CUNA strongly supports

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[https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment\\_Calls\\_Letters\\_and\\_Testimonies/2020/Comment\\_Letters/CUNA%20Comment%20Letter%20GSE%20Recap%20Framework.pdf](https://www.cuna.org/uploadedFiles/Advocacy/Actions/Comment_Calls_Letters_and_Testimonies/2020/Comment_Letters/CUNA%20Comment%20Letter%20GSE%20Recap%20Framework.pdf).

<sup>4</sup> See Credit Union Principles for Housing Finance Reform, *available at*

[https://www.cuna.org/uploadedFiles/Advocacy/Related\\_items/Credit-Union-Principles-for-Housing-FinanceReform.pdf](https://www.cuna.org/uploadedFiles/Advocacy/Related_items/Credit-Union-Principles-for-Housing-FinanceReform.pdf)

<sup>5</sup> See NCUA call report data; CUNA analysis.

<sup>6</sup> 12 U.S.C. § 4561.

loans made to low-income and very-low income borrowers and communities and believes such loans should receive priority in housing goals credit.

## **CONCLUSION**

Thank you for this opportunity to comment on this ANPR. We look forward to working with FHFA to ensure that credit unions and their members continue to benefit from the GSEs' charter mission to serve low- and very-low income borrowers and communities.

If you have questions or require additional information related to our feedback, please do not hesitate to contact me at (202) 465-5769 or [EEurgubian@cuna.coop](mailto:EEurgubian@cuna.coop).

Sincerely,

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Deputy Chief Advocacy Officer & Senior Counsel  
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