



FEDERAL HOUSING FINANCE AGENCY

12 CFR Part 1282

RIN 2590-AB34

2025-2027 Enterprise Housing Goals

AGENCY: Federal Housing Finance Agency.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Agency (FHFA) is issuing a final rule on the housing goals for Fannie Mae and Freddie Mac (the Enterprises) for 2025 through 2027 as required by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. The final rule establishes the benchmark levels for the single-family and multifamily housing goals and subgoals for 2025 through 2027. The final rule also includes technical changes and factors FHFA will consider when determining whether an Enterprise would be required to submit a housing plan to FHFA should the Enterprise fail to meet three of the single-family housing goals.

DATES: This final rule is effective **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: For general questions, please contact MediaInquiries@FHFA.gov. For technical questions, please contact Padmasini Raman, Supervisory Policy Analyst, Housing & Community Investment, Division of Housing Mission and Goals, (202) 649-3633, Padmasini.Raman@fhfa.gov; or Carey Whitehead, Assistant General Counsel, Office of General Counsel, (202) 649-3630, Carey.Whitehead@fhfa.gov. These are not toll-free numbers. The mailing address is: Federal Housing Finance Agency, 400 Seventh Street, SW, Washington, DC 20219. For TTY/TRS users with hearing and speech disabilities, dial 711 and ask to be connected to any of the contact numbers above.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory and Regulatory Background for Enterprise Housing Goals

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) requires FHFA to establish several annual housing goals for both single-family and multifamily mortgages purchased by the Enterprises.¹ The annual housing goals are one measure of the extent to which the Enterprises are meeting their public purposes, which include “an 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.”²

FHFA establishes annual housing goals for Enterprise purchases of single-family and multifamily mortgages consistent with the requirements of the Safety and Soundness Act. The structure of the housing goals and the parameters for determining how mortgage purchases are counted or not counted towards the goals are defined in FHFA’s Enterprise housing goals regulation.³ This final rule amends the regulation to establish benchmark levels for the single-family and multifamily housing goals for 2025-2027.

Single-family housing goals. The single-family housing goals defined under the Safety and Soundness Act include separate categories for home purchase mortgages for low-income families, very low-income families, and families that reside in low-income areas.⁴ For purposes of the single-family housing goals, families that reside in low-

¹ 12 U.S.C. 4561(a).

² 12 U.S.C. 4501(7).

³ 12 CFR part 1282.

⁴ 12 U.S.C. 4562(a)(1). To distinguish the goals and subgoals related to home purchase mortgages from the goal related to refinance mortgages, this preamble refers to the “low-income home purchase goal” and the “very low-income home purchase goal” to refer to the low-income families housing goal and the very low-income families housing goal, respectively, described in 12 CFR 1282.12(c) and (d). The terms “low-income census tracts home purchase subgoal” and “minority census tracts home purchase subgoal” are used to refer to the low-income census tracts housing subgoal and the minority census tracts housing subgoal, respectively, described in 12 CFR 1282.12(f) and (g).

income areas⁵ include: (1) families in low-income census tracts, defined as census tracts with median income less than or equal to 80 percent of area median income (AMI);⁶ (2) families with incomes less than or equal to 100 percent of AMI who reside in minority census tracts (defined as census tracts with a minority population of at least 30 percent and a tract median income of less than 100 percent of AMI);⁷ and (3) families with incomes less than or equal to 100 percent of AMI who reside in designated disaster areas.⁸ The Enterprise housing goals regulation also includes subgoals,⁹ within the low-income areas housing goal, that focus on single-family housing occupied by families in low-income census tracts and moderate-income families in minority census tracts.¹⁰ Performance on the single-family home purchase goals and subgoals is measured as the percentage of the total home purchase mortgages purchased by an Enterprise each year that qualify for each goal or subgoal. There is also a separate goal for single-family refinance mortgages for low-income families, and performance on the refinance goal is determined in a similar way.

Under the Safety and Soundness Act, the single-family housing goals are limited to mortgages on owner-occupied housing with one to four units. The single-family goals cover first lien, conventional, conforming mortgages, meaning mortgages that are not subordinate to other mortgage liens, that are not insured or guaranteed by the Federal Housing Administration or another government agency, and that have principal balances that do not exceed the conforming loan limits for Enterprise mortgages.

Two-part evaluation approach for single-family housing goals. The Enterprises' performance on the single-family housing goals is evaluated using a two-part approach

⁵ See 12 U.S.C. 4502(28); 12 CFR 1282.1 (definition of "families in low-income areas").

⁶ 12 CFR 1282.1 (par. (i) of definition of "families in low-income areas").

⁷ 12 U.S.C. 4502(29); 12 CFR 1282.1 (par. (ii) of definition of "families in low-income areas" and definition of "minority census tract").

⁸ 12 U.S.C. 4502(28); 12 CFR 1282.1 (definition of "designated disaster area" and par. (iii) of definition of "families in low-income areas").

⁹ For brevity, sometimes this preamble uses the term "goals" to refer to goals and subgoals.

¹⁰ 12 CFR 1282.12(f).

that compares the goal-qualifying share of each Enterprise's mortgage purchases to two separate measures: a benchmark level and a market level. To meet a single-family housing goal, the percentage of mortgage purchases by an Enterprise that qualifies for credit under each goal must equal or exceed either the benchmark level or the market level for that year. The benchmark level is set prospectively by rulemaking based on various factors set forth in the Safety and Soundness Act, which are further discussed below.¹¹ The market level is determined retrospectively for each year, based on the actual goal-qualifying share of the overall market as measured by the Home Mortgage Disclosure Act¹² (HMDA) data for that year. The overall market that FHFA uses for setting both the prospective benchmark level and the retrospective market level consists of all single-family, owner-occupied, conventional, conforming mortgages that would be eligible for purchase by either Enterprise. It includes loans purchased by the Enterprises as well as comparable loans held in a lender's portfolio. It also includes any loans that are part of a private label security, although few such securities have been issued for conventional conforming mortgages since 2008. Since 2018, several new HMDA data fields have become available. FHFA continues to monitor reporting of these new fields to consider potential adjustments to the way FHFA measures the overall market. Because FHFA's econometric market models use past years' data to construct the models, a potential transition to incorporate any new data variables will require time to obtain an adequate input data series.

While the retrospective market levels measure mortgage originations in a particular year, the performance of the Enterprises on the housing goals includes all Enterprise purchases in that year, regardless of the year in which the loan was originated. This includes any loans that are originated in one year and purchased by an Enterprise in

¹¹ See 12 U.S.C. 4562(e).

¹² 12 U.S.C. 2801 *et seq.*

a later year.

Multifamily housing goals. The multifamily housing goals defined under the Safety and Soundness Act include separate categories for mortgages on multifamily properties (properties with five or more units) with rental units affordable to low-income and very low-income families. The Safety and Soundness Act also requires reporting on smaller properties, and the Enterprise housing goals regulation includes a small multifamily low-income subgoal for properties with 5 to 50 units. The multifamily housing goals include all Enterprise multifamily mortgage purchases, regardless of the purpose of the loan. The multifamily housing goals evaluate the performance of the Enterprises based on the share of affordable units in properties that serve as collateral for mortgages purchased by an Enterprise. The Enterprise housing goals regulation does not include a retrospective market level measure for the multifamily housing goals, due in part to a lack of comprehensive data about the multifamily market. As a result, FHFA currently measures Enterprise multifamily housing goals performance against the benchmark levels only and the final rule retains this approach.

The Safety and Soundness Act requires that affordability for rental units under the multifamily housing goals be determined based on rents that “[do] not exceed 30 percent of the maximum income level of such income category, with appropriate adjustments for unit size as measured by the number of bedrooms.”¹³ The Enterprise housing goals regulation considers the net rent paid by the renter, *i.e.*, the rent is decreased by any subsidy payments that the renter may receive, including housing assistance payments.¹⁴

B. Considerations After Publication of the Final Rule

¹³ See 12 U.S.C. 4563(c). The 30 percent test for measuring affordability traces back to the “Brooke Amendment,” which amended the United States Housing Act of 1937 to cap public housing rents (Pub. L. 91-152). For purposes of the multifamily housing goals, to be affordable at the 80 percent of AMI level, the rents must not exceed 30 percent of the renter’s income, which must not exceed 80 percent of AMI. See https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html for a description of the Brooke Amendment and background on the notion of affordability embedded in the housing goals.

¹⁴ See 12 CFR 1282.1 (par. (i)(B) of definition of “rent”).

If, after publication of this final rule, new information indicates that any of the single-family or multifamily housing goals or subgoals should be adjusted in light of market conditions or the safety and soundness of the Enterprises, or for any other reason, FHFA may take any steps that are necessary and appropriate to respond, consistent with the Safety and Soundness Act and the Enterprise housing goals regulation.

For example, under the Safety and Soundness Act and the Enterprise housing goals regulation, FHFA is permitted to reduce a benchmark level in response to an Enterprise petition for reduction for any of the single-family or multifamily housing goals or subgoals in a particular year. Any adjustment in response to such a petition must be based on a determination by FHFA that: (1) market and economic conditions or the financial condition of the Enterprise require a reduction; or (2) efforts to meet the goal or subgoal would result in the constraint of liquidity, over-investment in certain market segments, or other consequences contrary to the intent of the Safety and Soundness Act or the purposes of the Enterprises' charter acts.¹⁵

The Safety and Soundness Act and the Enterprise housing goals regulation also consider the possibility that achievement of a particular housing goal or subgoal may or may not have been feasible for an Enterprise. If FHFA determines that a housing goal or subgoal was not feasible for an Enterprise to achieve, then the statute and regulation do not require any further action related to that housing goal or subgoal for that year.¹⁶

If FHFA determines that an Enterprise did not meet a housing goal or subgoal and that achievement of the housing goal or subgoal was feasible, then the statute and regulation provide FHFA with discretionary authority to require the Enterprise to submit a housing plan describing the specific actions the Enterprise will take to improve its housing goals performance.¹⁷

¹⁵ See 12 U.S.C. 4564(b); 12 CFR 1282.14(d).

¹⁶ See 12 U.S.C. 4566(b); 12 CFR 1282.21(a) (current regulation); 12 CFR 1282.22(a) (final rule).

¹⁷ See 12 U.S.C. 4566(c); 12 CFR 1282.21(a) (current regulation); 12 CFR 1282.22(a) (final rule).

C. Housing Goals under Conservatorship

On September 6, 2008, FHFA placed each Enterprise into conservatorship. Although the Enterprises remain in conservatorship, they continue to have the mission of supporting a stable and liquid national market for residential mortgage financing. FHFA has continued to establish annual housing goals for the Enterprises and assess their performance under the housing goals each year during conservatorship.

II. Discussion of Proposed Rule and Public Comments

FHFA published a notice of proposed rulemaking (NPRM or proposed rule) in the *Federal Register* on August 29, 2024, that proposed benchmark levels for the single-family and multifamily housing goals for 2025-2027.¹⁸ The public comment period on the proposed rule ended on October 28, 2024. The NPRM proposed decreasing the benchmark levels for the single-family low-income home purchase and very low-income home purchase goals from the current benchmark levels in response to recent market conditions and forecast updates. The NPRM also proposed increasing the minority census tracts home purchase subgoal benchmark level, while maintaining the existing low-income census tracts home purchase subgoal and the low-income refinance goal benchmark levels.

With respect to the multifamily benchmark levels, the NPRM proposed maintaining the existing low-income multifamily goal benchmark level, increasing the very low-income multifamily goal benchmark level, and decreasing the small (5-50 units) multifamily subgoal benchmark level.

In response to potential future uncertainty regarding the size and composition of the single-family mortgage market, the NPRM proposed including “Enforcement Factors” that FHFA would consider in determining when a housing plan would be

¹⁸ 89 FR 70127 (Aug. 29, 2024).

required if an Enterprise failed to meet certain single-family housing goals during the 2025-2027 period.

The NPRM also proposed referring to the multifamily very low-income housing subgoal as a goal instead of a subgoal. In addition, the NRPM proposed technical changes intended to better conform the regulation to statutory text and existing FHFA practices and procedures and indicated that it may include additional technical changes or corrections in the final rule based on comments received.

Overview of comments received.

FHFA received 31 comment letters from 61 organizations and individuals in response to the proposed rule. Comments were submitted by both Enterprises, as well as by a community development financial institution, two mortgage companies, and four trade associations (one trade association submitted two letters). FHFA also received one comment letter signed by 20 Members of Congress, and seven comment letters from policy advocacy organizations, with one letter representing the views of eleven organizations and another representing the views of five organizations. Eleven individuals submitted the remaining thirteen comment letters (one individual submitted three letters). FHFA also held several meetings with stakeholders to describe the content of the proposed rule and to discuss issues raised by the proposed rule.¹⁹

FHFA has reviewed and considered all the comments. Several of the letters raised issues unrelated to the housing goals or beyond the scope of the proposed rule, and those comments are not addressed in this final rule. Specific provisions of the proposed rule, and the comments received on those provisions, are discussed below and throughout this final rule.

Proposed single-family housing goals benchmark levels.

¹⁹ Summaries of each of these meetings are available at <https://www.fhfa.gov/regulation/federal-register/proposed-rulemaking/2025-2027-enterprise-housing-goals>.

Most of the commenters who addressed the proposed single-family goals, including the Enterprises, three individuals, three trade associations, and three nonprofit advocacy organizations, expressed overall support for the proposed benchmark levels. Many of these commenters also acknowledged the challenges associated with developing updated benchmark levels for the single-family housing goals using forecast models, particularly given recent and future mortgage market conditions. One nonprofit advocacy organization stated that while their organization has traditionally opposed reductions in the affordable housing goals, they recognize that higher interest rates and a historically low supply of affordable homes have combined to severely limit home purchase options for low-income households. The commenter also expressed support for FHFA's efforts to balance market dynamics and the desire to set single-family goals at relatively high levels. Another comment letter submitted on behalf of several nonprofit advocacy groups acknowledged the challenges posed by rising interest rates in the housing market in recent years and FHFA's ongoing commitment to navigate the complexities of a high-interest rate environment while supporting racial equity initiatives. The comment letter also noted that while the previous housing goals were established as reasonable stretch targets based on market conditions at that time, it is vital that FHFA adopt new strategies to better address the current economic landscape. One trade association stated that the proposed goals strike the right balance between continuing to push the Enterprises to fulfill their mission to serve low- and moderate-income homebuyers and homeowners, while doing so in a financially responsible and achievable manner.

Although both Enterprises conveyed support for the proposed single-family home purchase benchmark levels, both also expressed concerns over uncertainty in the housing and loan origination market. Fannie Mae welcomed the proposed reductions in the low-income and very low-income benchmark levels but noted that uncertainty and constraints

in housing supply and affordability could challenge its ability to meet the proposed benchmark levels.

Three nonprofit advocacy organizations, one trade association, and a community development financial institution disagreed with all or many of the proposed single-family goal benchmark levels, and their comments supported maintaining or increasing the benchmark levels relative to the levels established for 2022 through 2024. Some of these commenters specifically opposed the proposed reductions in the benchmark levels for the low-income home purchase and very low-income home purchase goals. A few of these commenters also recommended that the benchmark levels for the low-income refinance goal and the low-income census tracts home purchase subgoal be increased. These commenters urged FHFA to remain aggressive and ambitious when setting the housing goal benchmark levels as a means to motivate the Enterprises to lead the market. Several of these commenters stressed the critical role the goals and subgoals play in providing access to mortgage credit for low-income and very low-income borrowers by ensuring that the Enterprises properly focus on this important aspect of their mission.

Proposed benchmark levels for single-family low-income and very low-income home purchase goals.

Three nonprofit advocacy organizations and one community development financial institution recommended that the proposed benchmark levels for the single-family low-income home purchase goal, which FHFA proposed to lower from 28 percent to 25 percent, and the single-family very low-income home purchase goal, which FHFA proposed to lower from 7 percent to 6 percent, be increased in the final rule. These commenters maintained that the proposed benchmark levels were not aggressive enough given that interest rates had declined since the proposed rule was published. A few of these commenters pointed out that the proposed benchmark levels for the low-income and very low-income home purchase goals were set at levels lower than the midpoints of the

forecasts. As noted above, several of these commenters stated that the Enterprises should be given more ambitious low-income and very low-income home purchase goals to motivate them to lead the market.

Proposed single-family low-income census tracts home purchase subgoal.

One individual commented that the proposed rule, which would maintain the current benchmark level for the single-family low-income census tracts home purchase subgoal at 4 percent, is lower than past performance as well as projected forecast performance. The commenter further noted that a higher benchmark level for this subgoal would be more consistent with past Enterprise performance and projected market performance (*i.e.*, two of the statutory factors that must be considered when establishing a goal or subgoal). Two policy advocacy groups urged FHFA to set a higher benchmark level for this subgoal and pointed out that FHFA's model forecast and Enterprise performance in recent years have been higher than the proposed benchmark level of 4 percent.

Proposed single-family minority census tracts subgoal.

Many commenters supported the proposed increase in the benchmark level for the single-family minority census tracts home purchase subgoal from 10 percent to 12 percent. A comment letter submitted on behalf of several nonprofit advocacy organizations expressed support for this proposed increase and noted that the previous benchmark level did not present a significant challenge for the Enterprises to meet. A community development financial institution also supported the proposed increase, and encouraged FHFA to further increase it over time given the critical need to close the persistent racial and ethnic homeownership gaps that perpetuate inequality. A nonprofit advocacy organization recommended that FHFA set the benchmark level at 13 percent rather than 12 percent to push the Enterprises to pursue innovations that drive the market in light of population trends that may lead to a greater share of census tracts where at

least 30 percent of the population identifies as non-white. Another nonprofit advocacy group stated that because the statutory definition of “minority census tract” is broad, FHFA should greatly increase the benchmark level for this subgoal to incentivize the Enterprises to close the racial homeownership gaps for specific minority groups.

Proposed single-family low-income refinance goal.

Most of the commenters who addressed the proposed low-income refinance goal supported the proposal, which would maintain the current benchmark level at 26 percent. Several of the commenters recognized the challenges associated with forecasting the refinance market. For example, one trade association noted that the refinance market is more sensitive to interest rates, making it more difficult to forecast compared to the home purchase market. A policy advocacy group acknowledged that the refinance market is more unpredictable and volatile than the home purchase market due to increased sensitivity to interest rates, but nevertheless encouraged FHFA to increase the benchmark level for this goal in response to the forecasted market. To address the challenges associated with establishing this goal, the trade association also suggested that FHFA consider establishing a secondary assessment factor based on the number of loans purchased when unique market factors drive large or unanticipated increases in the denominator²⁰ to better assess the number of low-income refinances purchased year over year.

Measurement buffers (called “Enforcement Factors” in the proposed rule).

In the proposed rule preamble, FHFA specifically requested comments on the proposed factors (referred to as “Enforcement Factors” in the NPRM) that FHFA would consider when determining if a housing plan would be required if an Enterprise failed to meet certain single-family housing goals during the 2025-2027 housing goals period.

²⁰ For refinance mortgages, the denominator is the total number of refinancing mortgage purchases of an Enterprise in a particular year that finance owner-occupied single-family properties.

Specifically, FHFA proposed language in section 1282.22 to indicate that it would not require a housing plan if the benchmark level for a single-family housing goal is higher than the market level for the goal and the Enterprise's performance meets or exceeds the market level minus a specified percentage point. The applicable percentage point is different for the low-income home purchase goal, the very low-income home purchase goal, and the low-income refinance goal. FHFA did not propose similar factors for single-family subgoals. FHFA also proposed limitations so that the factors would not apply in 2027 if the Enterprise did not meet the market and the benchmark levels in 2025 and 2026.

Several commenters, including a nonprofit advocacy organization, both Enterprises, three trade associations, and a mortgage company expressed support for the proposed factors. The nonprofit advocacy organization commented that the proposed factors would offer flexibilities that will allow the Enterprises to better adapt their business activities to market changes without having to focus on meeting one static metric. One trade association noted that the proposed factors would allow the Enterprises to address unexpected market outcomes to prevent unintended consequences, including unwanted market behaviors that would not benefit the intended borrowers. A mortgage company welcomed the additional flexibility based on current market conditions that the proposed factors would provide.

Fannie Mae expressed general support for the proposed enforcement factors, indicating that the proposed factors considered the difficulties an Enterprise may experience when managing to the anticipated market share rather than the fixed benchmark levels. Fannie Mae noted that while the use of the proposed factors would not change the requirement that an Enterprise meet or surpass each of the single-family housing goals benchmark levels or market share levels, implementation of the factors

would provide the Enterprises some assurance considering the uncertainty inherent in predicting market share, especially in the absence of fulsome data.

Freddie Mac expressed support for the proposed enforcement factors, noting that they would appropriately account for market fluctuations and uncertainties that cannot be adequately predicted months or years in advance due to the lack of inclusive and timely market data. Freddie Mac described the proposed factors as a “necessary safeguard” for offsetting any potential gap between the actual and forecasted market levels during the 2025-2027 housing goal period. Freddie Mac also supported the proposed limitations on the use of the proposed factors. Specifically, if an Enterprise fails to meet one of the single-family low-income housing goals in both 2025 and 2026, it would not be allowed to apply the proposed factor to the applicable housing goal in 2027. Freddie Mac noted that the proposed limitation on the use of the proposed factors would appropriately account for the uncertainty of market conditions and forecasting while maintaining the Enterprises’ responsibility to develop strategies for achieving the housing goals.

Comment letters submitted on behalf of several policy advocacy organizations expressed opposition to the proposed enforcement factors, based on the view that they would reduce the accountability of the Enterprises and allow them to meet a share lower than the market level. As noted in the NPRM, the use of the enforcement factors would be limited and designed to balance the importance of meeting the housing goals with support for liquidity in all market segments. To balance these needs, FHFA narrowly targeted the proposed enforcement factors to apply only to certain single-family housing goals and only for 2025-2027. FHFA noted that it would consider a proposed factor only if the benchmark levels for certain single-family goals were a stretch goal (*i.e.*, above the HMDA market measure) for the year.

Two comments submitted on behalf of nonprofit advocacy organizations expressed concern that the proposed factors would relax performance requirements for

the Enterprises. FHFA notes that these comments do not reflect the intent behind the proposed factors. As proposed, the factors do not modify the standards for meeting the housing goals. The Enterprises are still required to meet the lower of the benchmark level or the market level for each goal. FHFA will continue to make a final determination of each Enterprise's performance under each single-family housing goal and subgoal and each multifamily housing goal and subgoal and will continue to notify Congress if an Enterprise fails to meet any of the goals or subgoals.

Proposed multifamily housing goals benchmark levels.

Several of the commenters that commented on the proposed multifamily housing goals benchmark levels supported the proposal to maintain the current multifamily low-income goal benchmark level at 61 percent, to increase the multifamily very low-income goal benchmark level from 12 percent to 14 percent, and to reduce the small multifamily low-income subgoal benchmark level from 2.5 to 2.0 percent. One trade association supported all the proposed multifamily goal benchmark levels, stating that they would effectively balance the role of the Enterprises in supporting affordable housing and providing liquidity to the entire multifamily market. Another trade association stated that the proposed benchmark levels strike the right balance between continuing to push the Enterprises to fulfill their mission while doing so in a financially responsible and achievable manner. Another trade association referred to the proposed benchmark levels as a "reasonable" mandate for the Enterprises that would provide a critical framework for mortgage funding. A nonprofit advocacy organization supported the proposal to keep the multifamily housing goals at elevated levels. The organization particularly supported the proposed increase in the very low-income goal benchmark level from 12 percent to 14 percent, noting that very low-income renters have been disproportionately impacted by the affordable housing crisis and face a severe shortage of affordable options.

Of the remaining commenters on the multifamily housing goals, three nonprofit advocacy organizations, 20 Members of Congress, and three individuals supported one or more of the proposed multifamily goals or the subgoal benchmark levels, while two nonprofit advocacy organizations opposed all the proposed multifamily goals benchmark levels. Two letters submitted by nonprofit advocacy organizations (one submitted on behalf of 11 nonprofit advocacy organizations) encouraged FHFA to adopt a higher benchmark level for the multifamily low-income housing goal but expressed support for the proposed multifamily very low-income benchmark level. Conversely, another policy advocacy organization supported maintaining the multifamily low-income housing goal benchmark level at 61 percent but urged FHFA to adopt a benchmark level for the multifamily very low-income housing goal higher than 12 percent, not realizing that FHFA proposed increasing this goal to 14 percent. A letter submitted on behalf of 20 Members of Congress called on FHFA to increase the proposed multifamily low-income housing goal benchmark level. With respect to the proposed multifamily low-income housing goal, the letters submitted by and on behalf of policy advocacy organizations, as well as the 20 Members of Congress, stressed that the Enterprises' previous performance highlighted their ability to lead in providing credit for multifamily mortgages that serve low-income households. For example, one of the commenters noted that because both Enterprises' multifamily lending activity easily exceeded the 61 percent benchmark level each year from 2020 to 2023, the multifamily low-income housing goal benchmark level should be increased to 65 percent. The letter submitted of behalf of the Members of Congress also noted that recent decreases in the target range for the federal funds rate, as well as the potential for additional decreases, coupled with individual state actions to increase housing supply pointed towards new opportunities for the Enterprises to meet higher benchmark levels.

Regarding the proposed multifamily very low-income goal, a nonprofit advocacy organization expressed support for the proposed increase in the benchmark level by highlighting the important role the Enterprises play in helping to address the affordable housing needs of very low-income renters. The commenter pointed out that both Enterprises have easily exceeded the 12 percent benchmark level in recent years. The commenter also noted that developers of very low-income rental units often struggle to access affordable capital and that the Enterprises are well-suited to address these developers' funding needs. Another policy advocacy organization viewed a benchmark level of 12 percent to be proportionally low in comparison to the proposed multifamily low-income housing goal benchmark level as well as the past performance of the Enterprises. The commenter noted that Fannie Mae's multifamily very low-income housing goal performance was 18.7 percent for 2023, while Freddie Mac's was 20.6 percent. As a result, the commenter recommended that FHFA increase the multifamily very low-income housing goal benchmark level in the final rule to reflect the greater need for affordable housing as well as to make it more proportional to the relationship between performance and benchmarking.

One of the nonprofit advocacy organizations stated that FHFA is too conservative with its setting of the multifamily goal benchmark levels. The commenter noted that the recent historical performance of the Enterprises indicates that the proposed multifamily goals and subgoal benchmark levels should be more ambitious. The commenter expressed concern that the large difference between goal benchmark level setting and historical performance will encourage the Enterprises to "back slide," which will hurt the housing supply for low-income rental units during a time when rents have been increasing significantly. Another nonprofit advocacy organization strongly urged FHFA to set higher multifamily goal benchmark levels in response to the "fair and affordable

housing crisis” to incentivize the Enterprises to lead and move the market to give renters more opportunities for fair and affordable multifamily housing.

Proposed small multifamily housing subgoal benchmark level.

There were mixed reactions among those commenters that addressed the proposal to lower the benchmark level for the small multifamily low-income subgoal (which is for properties with 5 to 50 units) from 2.5 percent to 2 percent. One trade association supported the proposed reduction in the benchmark level, stating that this sector is well-supported by private capital sources. Freddie Mac stated that the proposal was appropriate given how sensitive this segment of the market is to market conditions and noted that this market sensitivity has resulted in fewer owners of such properties seeking financing relative to the market overall. Freddie Mac also stated that while it is important for the Enterprises to play a role in this market by advancing beneficial standards and providing countercyclical liquidity, the Enterprises should not crowd out private capital providers including regional banks and small financial institutions. Fannie Mae also supported the proposed benchmark level, stating that a reduction from 2.5 percent to 2 percent is consistent with the ongoing competition for these loans in the market.

One nonprofit advocacy organization and three individuals urged FHFA to maintain the benchmark level for this subgoal at the current 2.5 percent. A nonprofit advocacy organization and a letter on behalf of 20 Members of Congress recommended that the benchmark level be raised to above 2.5 percent. The commenters argued that because the Enterprises have exceeded the 2.5 percent subgoal for the last four years, there is no need to decrease the benchmark level. The commenters emphasized that Enterprise support is crucial for these properties, noting that small multifamily properties serve as a critical source of affordable housing in rural areas and other underserved communities and owners of these properties struggle to access capital as readily as owners of larger developments.

Technical changes.

Fannie Mae commented that the proposed technical changes related to enforcement of the housing goals omit certain language in the Safety and Soundness Act at 12 U.S.C. 4566(c)(7), 4581(a)(3), and 4585(a)(3) that refers to goals established under specific sections of the statute. Fannie Mae suggested that FHFA modify the proposed rule language to avoid confusion about the enforcement options available for the housing goals. As stated in the proposed rule preamble, FHFA proposed technical changes “to better conform the regulation to statutory text” and to improve transparency by providing a more complete description of FHFA’s enforcement authority.²¹ FHFA did not intend the proposed technical changes to expand or to limit FHFA’s authority to enforce housing plans under the Safety and Soundness Act or any other applicable law.

Other issues not included in the proposed rule, but raised by commenters:

Duration of goals and opportunity for comment. One nonprofit advocacy organization urged FHFA to set two-year, rather than three-year, benchmark levels for the single-family and multifamily goals. The commenter reasoned that because forecasts are more accurate in shorter time frames, two-year goals could allow for more aggressive benchmark levels. The commenter also stated that a two-year cycle would increase the frequency of public comments and suggested that FHFA request public comments on the Enterprises’ performance under the goals, specifically with respect to housing plans.

Under the Safety and Soundness Act, FHFA is required to establish the annual housing goals benchmark levels in a regulation, which FHFA adopts through notice and comment rulemaking.²² FHFA has chosen a three-year housing goals period, as it enables the Enterprises to plan their business activities more effectively and make progress towards meeting the goals. FHFA continues to believe that the establishment of three-

²¹ 89 FR 70127, 70130.

²² 12 U.S.C. 4561(a).

year housing goals better enables the Enterprises to develop and implement high-level strategies for guiding their respective organizations towards achieving all the single-family and multifamily housing goals. The establishment and implementation of three-year housing goals also allows the Enterprises to map out, develop, and invest in longer-term strategies designed to achieve the housing goals.

In response to the commenter's recommendation that FHFA request public comments on the Enterprises' performance under the goals, specifically on housing plans, FHFA notes that FHFA issues an Annual Housing Report (Report) pursuant to 12 U.S.C. 4566. The Report describes the affordable and other housing activities of Fannie Mae and Freddie Mac during the preceding year and FHFA's final review of the Enterprises' housing goals performance, including copies of the final determination letters FHFA sends each Enterprise. The Report also indicates whether FHFA has required an Enterprise to submit a housing plan if the Enterprise fails to meet one or more of the goals and such goals were feasible. Because an Enterprise's housing plan may contain proprietary information, FHFA does not believe it is appropriate to request public input on the strategies and initiatives the Enterprise intends to pursue to correct and improve its housing goal performance.

Enterprises' ability to lead the market. Three nonprofit advocacy organizations argued that the Enterprises be given higher, more ambitious goals to ensure they lead and "drive up" the market to serve the needs of neglected populations and address the nation's affordable housing crisis. As further discussed below, the Safety and Soundness Act requires FHFA to balance seven statutory factors in setting the benchmark levels for the single-family housing goals, and six statutory factors in setting the benchmark levels for the multifamily housing goals. Under the statute, FHFA must consider the *ability* of the Enterprises to lead the single-family and multifamily markets, as well as other factors such as recent Enterprise and market performance, current and expected market

conditions, and the safety and soundness of the Enterprises. In setting benchmark levels, FHFA takes all the statutory factors into account to enable the Enterprises to continue to provide critical support to the different goal market segments while also supporting the rest of the market.

Publishing local data on Enterprise performance. One nonprofit advocacy organization stated that FHFA should publish local data on Enterprise performance to enable stakeholders to better identify underserved areas with many goal-qualified loans due to relatively high levels of housing affordability but are perhaps overlooked by the primary and secondary markets. The commenter suggested that FHFA create a database that would include income to housing ratios and other indicia of affordability that could help identify the underserved areas with a high share of goal-qualified loans.

FHFA publishes state-level data from HMDA and on Enterprise performance on each single-family housing goal. Because the housing goals are set across all localities and for all Enterprise acquisitions in any given year, and because loan origination volume fluctuates depending on macroeconomic conditions, primary market activities, and Enterprise participation in the secondary market in each locality, comparisons of locality data across years may be misleading without adequate context about the extent of primary mortgage activity in the area as well as secondary market activities. FHFA will continue to conduct research and provide data that FHFA believes would be beneficial to the public.

Additional tract “criteria” for the single-family low-income census tracts home purchase subgoal. A nonprofit advocacy organization commented that FHFA could use additional census tract “criteria” to ensure mortgage credit is made available to underserved, disinvested markets (where gentrification is not happening or is less of a concern) and limit borrower income in some low-income census tracts. The commenter noted the additional criteria are necessary because mortgage credit remains scarce in rural

areas, smaller post-industrial legacy cities, and poor urban neighborhoods. The commenter urged FHFA to examine tailoring the single-family low-income census tracts home purchase subgoal to better scale its impact on underserved, low-income markets.

FHFA notes that gentrification and disinvestment are measured on multiple dimensions and data series on these measures are not readily available. FHFA first established the minority census tracts subgoal and the low-income census tracts subgoal for the 2022-2024 period, and there have only been two complete performance years for these subgoals. FHFA will continue to analyze the subgoal performance as related to these issues and will publish information on FHFA's website as appropriate.

Setting housing goals consistently. One nonprofit advocacy organization stated that the housing goals are not set consistently because some goals are set below the market forecast, while other goals are set at the market forecast. When proposing the benchmark levels, FHFA considers the most up-to-date expected market conditions as indicated by a forecast produced by Moody's and the latest HMDA market levels for which the loan level data series are available to include in the model when developing the proposed rule. FHFA also considers Enterprise performance for the partial year, to appropriately adjust the model-generated benchmark levels. The proposed rule's benchmark level for the low-income census tracts home purchase subgoal was set below the market forecast at that time to address displacement concerns. The proposed rule's benchmark level for the low-income refinance goal was set below the market forecast as this segment is highly sensitive to interest rate changes. In addition, there is limited economic data regarding how many borrowers are "locked in" by their current low mortgage rates, meaning that they are less likely to refinance or sell their home while prevailing mortgage rates are higher than their current rate. FHFA also notes that along with the market forecast, FHFA must consider the statutory factors in the Safety and

Soundness Act that are not included in the market model when setting each benchmark level, as discussed in more detail below.

Support for market-rate units. One trade association recommended that FHFA help the Enterprises balance their housing goals with providing liquidity support for market-rate units. FHFA considered market-rate units when setting the cap on multifamily purchase volume (the Multifamily Cap) and the percent of loans purchased that must be “mission-driven,” in the Conservatorship Scorecard.²³ The proposed Enterprise housing goals, however, are focused on families at or below specific AMI levels and FHFA sought to balance these objectives.

Simplify Enterprise goals and targets. One trade association encouraged FHFA to work towards simplifying the various multifamily affordable and mission-related goals of the Enterprises (including the housing goals that are the subject of this final rule, the Conservatorship Scorecard, and the Duty to Serve requirements in 12 CFR part 1282, subpart C). Each of these requirements helps ensure that the Enterprises fulfill a different aspect of their statutory mission and charters, as well as that they serve low- and moderate-income families and underserved markets in different ways. FHFA has already taken measures to assist the Enterprises in coordinating their efforts with respect to these requirements. For example, FHFA’s 2023-2024 Multifamily Enterprise Housing Goals final rule established the benchmark levels for the multifamily goals based on a new methodology – the percentage of affordable units in multifamily properties financed by mortgages purchased by the Enterprise each year. FHFA believes that this change has simplified the multifamily housing goals in a way that complements the Multifamily Cap

²³ In an annual Conservatorship Scorecard, FHFA establishes a cap on the multifamily purchase volume of each Enterprise. The Scorecard also establishes a percentage of multifamily purchases within the cap that must be “mission driven,” a defined term that generally encompasses affordable and underserved market segments. The 2024 Scorecard sets a cap of \$70 billion on each Enterprise and requires that at least half of Enterprise multifamily loan purchases be “mission-driven.” Details are available in the fact sheet “2025 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac,” *available at* <https://www.fhfa.gov/news/fact-sheet/2025-multifamily-loan-purchase-caps-for-fannie-mae-and-freddie-mac>.

and enables the Enterprises to meet both targets more seamlessly. FHFA will continue to explore ways to coordinate and streamline the requirements of the various multifamily affordable and mission-related goals of the Enterprises while ensuring these goals are achieved.

III. Summary of Final Rule

A. Benchmark Levels for the Single-Family Housing Goals and Subgoals—§ 1282.12

This final rule establishes the benchmark levels for the single-family housing goals and subgoals for 2025-2027 as follows:

Goal or Subgoal	Criteria	Final benchmark level for 2025-2027
Low-Income Home Purchase Goal	Home purchase mortgages on single-family, owner-occupied properties, to borrowers with incomes no greater than 80 percent of area median income (AMI).	25 percent
Very Low-Income Home Purchase Goal	Home purchase mortgages on single-family, owner-occupied properties, to borrowers with incomes no greater than 50 percent of AMI.	6 percent
Low-Income Refinance Goal	Refinance mortgages on single-family, owner-occupied properties, to borrowers with incomes no greater than 80 percent of AMI.	26 percent
Minority Census Tracts Home Purchase Subgoal	Home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 100 percent of AMI in minority census tracts. ¹	12 percent
Low-Income Census Tracts Home Purchase Subgoal	(i) Home purchase mortgages on single-family, owner-occupied properties to borrowers (regardless of income) in low-income census tracts ² that are not minority census tracts, and (ii) home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes greater than 100 percent of AMI in low-income census tracts that are also minority census tracts.	4 percent

¹ Census tracts that have a minority population of at least 30 percent and a median income of less than 100 percent of AMI.

² Census tracts where the median income is no greater than 80 percent of AMI.

As in previous rulemakings, the low-income areas housing goal benchmark level is not included in this final rule. Under the existing regulation, the benchmark level will be the sum of the benchmark levels for the minority census tracts home purchase subgoal and the low-income census tracts home purchase subgoal established in this final rule, plus an additional amount that will be determined separately by FHFA by notice that considers families in disaster areas with incomes no greater than 100 percent of AMI.²⁴

B. Benchmark Levels for the Multifamily Housing Goals and Subgoal—§ 1282.13

The final rule establishes the benchmark levels for the multifamily housing goals and subgoal for 2025-2027 as follows:

Goals and Subgoal	Criteria	Final benchmark level for 2025-2027
Low-Income Goal	Percentage share of all goal-eligible units in multifamily properties financed by mortgages purchased by the Enterprise in the year that are affordable to low-income families, defined as families with incomes less than or equal to 80 percent of AMI.	61 percent
Very Low-Income Goal	Percentage share of all goal-eligible units in multifamily properties financed by mortgages purchased by the Enterprise in the year that are affordable to very low-income families, defined as families with incomes less than or equal to 50 percent of AMI.	14 percent
Small Multifamily Low-Income Subgoal	Percentage share of all goal-eligible units in all multifamily properties financed by mortgages purchased by the Enterprise in the year that are units in small multifamily properties affordable to low-income families, defined as families with incomes less than or equal to 80 percent of AMI.	2 percent

²⁴ See 12 CFR 1282.12(e). The benchmark level for 2024 is 19 percent. The notices setting this benchmark level can be found on FHFA’s website at <https://www.fhfa.gov/sites/default/files/2024-06/2024-Low-Income-Areas-Goal-Fannie-Mae.pdf> and <https://www.fhfa.gov/sites/default/files/2024-06/2024-Low-Income-Areas-Goal-Freddie-Mac.pdf>.

*C. Measurement Buffers (Referred to as “Enforcement Factors” in the Proposed Rule)—
§ 1282.22(b)*

Consistent with the proposed rule, the final rule establishes new factors for the 2025-2027 housing goals period that FHFA will apply in determining whether to require a housing plan if an Enterprise fails to meet certain single-family housing goals in 2025-2027. The final rule establishes the numerical factors as proposed but changes the name to “measurement buffers.” Specifically, for 2025-2027, if the benchmark level for the single-family low-income home purchase, very low-income home purchase, or low-income refinance housing goal is higher than the market level for the goal, an Enterprise that fails to meet the goal will not be required to submit a housing plan if the Enterprise’s performance meets or exceeds: (i) the market level minus 1.3 percentage points for the low-income home purchase goal; (ii) the market level minus 0.5 percentage points for the very low-income home purchase goal; or (iii) the market level minus 1.3 percentage points for the low-income refinance goal. To ensure that an Enterprise does not rely entirely on these measurement buffers, if an Enterprise fails to meet one of the applicable goals in both 2025 and 2026, the measurement buffer will not apply to that goal in 2027.

*D. Multifamily Very Low-Income Housing Goal—§§ 1282.11(a)(1); 1282.13(a) and (c);
1282.15(c) and (e)*

The final rule revises the housing goals regulation to refer to the multifamily very low-income housing subgoal as a goal instead of a subgoal. This change is consistent with the Safety and Soundness Act, the reference to the single-family very low-income home purchase goal in 12 CFR 1282.12(d) as a goal and not a subgoal, and FHFA’s

practice of referring to “multifamily housing goals.”²⁵ FHFA received one comment (NDI) supporting this proposed change.

E. Technical Changes—§§ 1282.1; 1282.11(a)(1); 1282.13 (header); 1282.20; 1282.21; 1282.22

Consistent with the proposed rule, the final rule makes minor technical changes to the housing goals regulation that are intended to better conform the regulation to statutory text and existing FHFA practices and procedures. Except as discussed in this preamble regarding proposed changes to § 1282.22(g), FHFA received no comments on the proposed technical changes.

The final rule modifies the definition of “designated disaster area” in § 1282.1 as proposed, to reflect that major disasters are designated (declared) by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*). FHFA modified the definition to add the reference to the designation by the President and deleted the reference to “declared by the Federal Government.” This change eliminates potential confusion about which disasters are associated with designated disaster areas.

Consistent with the proposed rule, the final rule modifies § 1282.11(a)(1) to correctly reference the various housing goals. That paragraph previously referred to one single-family housing subgoal and is modified in the final rule to reference the two single-family, owner-occupied, purchase money mortgage housing subgoals. The final rule also removes the words “special affordable” that until now described the multifamily goals and subgoals in § 1282.11(a)(1) and the header in § 1282.13 for simplicity and to consistently reference single-family and multifamily goals and subgoals. Affordability remains a criterion for units to count towards meeting the goals and subgoal, however.

²⁵ 12 U.S.C. 4563(a)(2) requires FHFA to establish “additional requirements” for units affordable to very low-income families when it establishes the goal for mortgages on multifamily properties that finance dwelling units affordable to very low-income families.

In addition, consistent with the proposed rule, the final rule makes non-substantive changes to the enforcement provisions in § 1282.20 and redesignates housing plan provisions in § 1282.21 as a new § 1282.22. Specifically, the final rule modifies § 1282.20 to separate and more fully describe the preliminary and final determinations of housing goals compliance. As modified, § 1282.20 addresses preliminary determinations of housing goals compliance; § 1282.21 addresses final determinations of housing goals compliance. These sections also include revised wording that conforms to FHFA's established practices.

The final rule revises and republishes newly redesignated § 1282.22 to include the measurement buffers for the 2025-2027 single-family housing goals in paragraph (b). The final rule relocates provisions in § 1282.21(b) through (e) to § 1282.22(c) through (f). Paragraph (c)(3) includes an additional technical change inadvertently omitted in the proposed rule to add "or subgoal" for consistency with the changes to § 1282.22(a) in the proposed and final rules. Paragraph (f) includes technical changes to clarify that if a proposed amended housing plan is not acceptable to the Director, the Director may afford the Enterprise 15 days to submit additional amendments to its proposed plan for approval or disapproval, rather than requiring a "new" proposed plan. Except as noted, these changes are included in the final rule as proposed in the NPRM.

The final also rule includes the new proposed provision at § 1282.22(g) that incorporates the housing plan enforcement provisions contained in the Safety and Soundness Act.²⁶ That paragraph provides that if the Director requires an Enterprise to submit a housing plan and the Enterprise refuses to submit such a plan, submits an unacceptable plan, or fails to comply with the plan, the Director may issue a cease and desist order in accordance with 12 U.S.C. 4581, impose civil money penalties in accordance with 12 U.S.C. 4585, or take any other action that the Director determines to

²⁶ 12 U.S.C. 4566.

be appropriate. The Safety and Soundness Act provides authority to enforce the housing plans, but this authority was not previously described in the Enterprise housing goals regulation. Including these provisions in the final rule supports transparency by providing a more complete description of FHFA's enforcement authority. This change makes it easier for anyone unfamiliar with the Safety and Soundness Act to understand the potential consequences if an Enterprise fails to submit an acceptable housing plan or fails to comply with the plan as required. This is the only technical change addressed by a comment on the proposed rule. In response to a comment from Fannie Mae suggesting that FHFA modify the proposed rule language to provide clarity about the enforcement options available for the housing goals, FHFA is including language in § 1282.22(g) to indicate that enforcement of housing plans will be consistent with 12 U.S.C. 4566 and any other applicable requirements of the Safety and Soundness Act.

IV. Single-Family Housing Goals and Subgoals

A. Factors Considered in Setting the Single-Family Housing Goal Benchmark Levels

The Safety and Soundness Act requires FHFA to consider the following seven factors in setting the single-family housing goals:

1. National housing needs;
2. Economic, housing, and demographic conditions, including expected market developments;
3. The performance and effort of the Enterprises toward achieving the housing goals in previous years;
4. The ability of the Enterprises to lead the industry in making mortgage credit available;
5. Such other reliable mortgage data as may be available;
6. The size of the purchase money conventional mortgage market, or refinance conventional mortgage market, as applicable, serving each of the types of families

described, relative to the size of the overall purchase money mortgage market or the overall refinance mortgage market, respectively; and

7. The need to maintain the sound financial condition of the Enterprises.²⁷

FHFA has considered each of these seven statutory factors in setting the benchmark levels for each of the single-family housing goals and subgoals in the final rule.

In setting the benchmark levels for the single-family housing goals and subgoals, FHFA relied on statistical market models developed by FHFA to evaluate four of the seven factors (national housing needs; economic, housing, and demographic conditions; other reliable mortgage data; and the size of the conventional purchase money or refinance mortgage segment). These market models generate a point forecast for each goal as well as a confidence interval for the point forecast. FHFA also monitors information on market developments that are not reflected in the model. FHFA then considers the other statutory factors (performance and effort of the Enterprises to lead the industry in making mortgage credit available; the ability of the Enterprises to do so; and the need to maintain sound financial condition of the Enterprises). These factors are not explicitly modeled in the statistical forecast models. Therefore, FHFA considered these factors when setting the benchmark levels within the model generated confidence intervals for the 2025-2027 single-family housing goals.

Market forecast models. The purpose of FHFA's market forecast models is to forecast the market share of the goal-qualifying mortgage originations for the 2025-2027 period. The models are intended to generate reliable forecasts rather than to test various economic hypotheses about the housing market or to explain the relationship between variables. Therefore, following standard practice among forecasters and economists at other federal agencies, FHFA estimates a reduced-form equation for each of the housing

²⁷ See 12 U.S.C. 4562(e)(2)(B).

goals and fits an Autoregressive Integrated Moving Average (or ARIMA) model to each goal share. The models look at the statistical relationship between (a) the historical market share for each single-family housing goal or subgoal, as calculated from monthly HMDA data, and (b) the historical values for various factors that may influence the market shares, such as interest rates, inflation, home prices, home sales, the unemployment rate, and other factors. The models then project the future value of the affordable market share using forecast values of the model inputs. Separate models are developed for each of the single-family housing goals and subgoals.

FHFA has employed similar models in past Enterprise housing goals rulemaking cycles to generate market forecasts. The models are developed using monthly series generated from HMDA and other data sources, and the resulting monthly forecasts are then averaged into an annual forecast for each of the three years in the goal period. The models rely on 20 years of HMDA data, from 2004 to 2023, the latest year for which public HMDA data was available at the time of model construction. Additional discussion of the market forecast models can be found in a technical report on FHFA's official website.²⁸

Current market outlook. There are many factors that impact the affordable housing market, and changes to any of them could significantly impact the ability of the Enterprises to meet the goals. In developing the market models, FHFA used Moody's forecasts as the source for macroeconomic variables where available.²⁹ In cases where Moody's forecasts were not available (for example, the share of government-insured/guaranteed home purchases and the share of government-insured/guaranteed refinances), FHFA generated and tested its own forecasts as in past rulemakings.³⁰

²⁸ Details on FHFA's single-family market models are available in the technical report "The Size of the Affordable Mortgage Market: 2025-2027 Enterprise Single-Family Housing Goals," available at <https://www.fhfa.gov/research/papers/2025-2027-enterprise-single-family-housing-goals-12-2024>.

²⁹ *Ibid.*

³⁰ This refers to the mortgages insured or guaranteed by government agencies such as the Federal Housing Administration, Department of Veterans Affairs, and Rural Housing Service.

Variables that impact the models and the determinations of benchmark levels, including interest rates, home prices, and the supply of affordable housing, are discussed below.

The Federal Open Market Committee (FOMC) of the Federal Reserve, at its September 2024 meeting, reiterated its commitment to seeking maximum employment and inflation at the rate of 2 percent in the long run, by lowering its target range for the federal funds rate by 0.5 percentage points to 4.75 percent to 5.0 percent.³¹ In its November 2024 meeting, the FOMC lowered the target range by an additional 0.25 percentage points to 4.5 percent to 4.75 percent.³² Moody's August 2024 Baseline forecast does not include these cuts but assumes that the FOMC will cut rates by 0.25 percentage points in September 2024 and December 2024, with further cuts to the federal funds rate to 4 percent by the fourth quarter of 2025.

The forecast projects that the 30-year fixed mortgage rate will remain elevated, and only decline 0.3 percentage points from 6.4 percent in 2025 to 6.1 percent in 2026, and then decline to 6.0 percent in 2027. Home prices increased rapidly in 2021 and 2022 as indicated by FHFA's purchase-only House Price Index (HPI), due to a combination of high demand for housing resulting from demographic trends and limited supply of homes for sale.³³ The rapid rise in mortgage rates through 2022 and their stabilization at new elevated levels in 2023 slowed down the pace of house price growth. Although slower, house price growth was still significant, rising 4.2 percent from August 2023 to August 2024.³⁴ FHFA noted in its monthly HPI report that it was the sixth consecutive month of modest house price growth.³⁵ Moody's predicts that home price appreciation will slow down even more in 2025. Moody's August 2024 forecast of the same HPI index expects

³¹ <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240918a.htm>.

³² <https://www.federalreserve.gov/newsevents/pressreleases/monetary20241107a.htm>.

³³ FHFA, "House Price Index Datasets," *available at* <https://www.fhfa.gov/data/hpi/datasets?tab=hpi-datasets>.

³⁴ FHFA, "FHFA House Price Index Report – Monthly Report," October 2024, *available at* https://www.fhfa.gov/sites/default/files/2024-11/FHFA-HPI-Monthly_10292024.pdf.

³⁵ *Ibid.*

the annual rates of house price growth to be 1.0, 1.5, and 2.1 percent in 2025, 2026, and 2027, respectively.

Even though mortgage interest rates are forecast to decline modestly, many households maintain low mortgage rates that are likely to remain below the prevailing mortgage rates, and therefore they are less likely to refinance. The refinance share of overall mortgage originations declined from 62.4 percent in 2020 to 19.2 percent in 2023. Moody's forecasts this share to decline further to 18.0 percent in 2024, but rise to 19.2, 25.7, and 33.8 percent in 2025, 2026, and 2027, respectively.

Taken together, the elevated mortgage interest rates and high home price levels will likely continue to impact the ability of low- and very low-income households to purchase homes. The median sales price for existing single-family homes to median household income ratio, which is often used to measure affordability, rose to 5.1 in 2022, up from 4.1 in 2019.³⁶ As a result, between 2019 and 2022, the number of cost-burdened homeowners increased by 3 million households.³⁷ Housing affordability in 2023, as measured by Moody's forecast of the Housing Affordability Index (HAI) provided by the National Association of Realtors (NAR), was at its lowest level since 1989. This factor is projected to rise even more modestly in the August 2024 forecast used to support the final rule than was projected in the February 2024 forecast (used to support the proposed rule).^{38 39}

³⁶ "The State of the Nation's Housing 2024," Joint Center for Housing Studies of Harvard University, 2024, p. 10, *available at* https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf.

³⁷ *Ibid.* p. 2.

³⁸ Moody's Analytics, "Economic Data and Forecasts," August 2024.

³⁹ NAR's HAI is a national index. It measures, nationally, whether an average family could qualify for a mortgage on a typical home. A typical home is defined as the national median-priced, existing single-family home as reported by NAR. An average family is defined as one earning the median family income. The calculation assumes a down payment of 20 percent of the home price and a monthly payment that does not exceed 25 percent of the median family income. An index value of 100 means that a family earning the median family income has exactly enough income to qualify for a mortgage on a median-priced home. An index value above 100 signifies that a family earning the median family income has more than enough income to qualify for a mortgage on a median-priced home. A decrease in the index value over time indicates that housing is becoming less affordable.

The supply of affordable housing has not kept pace with the growth of demand. This has led to a shortage of homes, which became more acute during the COVID-19 pandemic. Although, for example, the October 2024 active listing count is 29.2 percent higher than it was in October 2023, it is still 21.1 percent lower than it was at the same time in 2019.⁴⁰ Single-family housing starts, or the measure of new one-to-four-unit residential construction, dropped 10.8 percent from 2021 to 2022, and continued to decline in 2023.⁴¹ For example, the Mortgage Bankers Association (MBA) estimates housing starts to have decreased about 8.8 percent from 1.55 million in 2022 to 1.42 million in 2023. MBA forecasts housing starts to decline about 4.6 percent in 2024, before rising about 3.4 percent in 2025.⁴²

The combination of high home prices and elevated mortgage rates along with continued limited housing supply has also contributed to a sharp decline in purchase loan origination volumes, as new homes are less affordable and existing homeowners are less likely to move and relinquish their low interest rate mortgages. For example, in 2022, lenders reported a 51 percent decrease in originated closed-end home loans from 2021 volumes.⁴³ In 2023, there were further declines, with lenders reporting a 34.5 percent decrease in originated closed-end home loans from 2022 volumes.⁴⁴ Moody's Baseline scenario for August 2024 shows single-family purchase mortgage originations similarly

⁴⁰ "Housing Inventory: Active Listing Count in the United States," accessed on November 18, 2024, at <https://fred.stlouisfed.org/series/ACTLISCOUUS>.

⁴¹ Exploring 2023's Housing Trends and Challenges | Housing Matters," Urban Institute, January 31, 2024, available at <https://housingmatters.urban.org/research-summary/exploring-2023s-housing-trends-and-challenges>.

⁴² "Housing Finance: At a Glance Monthly Chartbook, October 2024," | Urban Institute Housing Finance Policy Center, Urban Institute, October 30, 2024, p. 22, available at <https://www.urban.org/sites/default/files/2024-10/Housing-Finance-At-A-Glance-Monthly-Chartbook-October-2024.pdf>.

⁴³ "Summary of 2022 Data on Mortgage Lending," Consumer Financial Protection Bureau, June 29, 2023, available at <https://www.consumerfinance.gov/data-research/hmda/summary-of-2022-data-on-mortgage-lending/>.

⁴⁴ "Summary of 2023 Data on Mortgage Lending," Consumer Financial Protection Bureau, July 11, 2024, available at <https://www.consumerfinance.gov/data-research/hmda/summary-of-2023-data-on-mortgage-lending/>.

down in 2023, when originations totaled \$1.33 trillion, compared to 2021, when originations totaled \$1.86 trillion.⁴⁵

Furthermore, this observation from Moody's February 2024 forecast is still applicable: "Life events such as divorces, deaths, and the birth of children along with moderating interest rates will prompt more homeowners to list their homes in 2024 than in 2023, but the rise in existing home sales is expected to be limited."⁴⁶

FHFA continues to monitor how these changes in the housing market, as well as other market conditions, may impact various segments of the market, including those targeted by the housing goals.

Post-model adjustments. While FHFA's models can address and forecast many of the factors referenced in the statute, including increasing interest rates and rising property values, some factors are not captured in the models. FHFA, therefore, considers additional factors when selecting the benchmark level within the model-generated confidence interval for each of the single-family housing goals.

Demographic trends. Although the model considers some demographic factors, specific demographic changes, such as the housing demand patterns of Millennials or the growth of minority households, are not included explicitly in the market forecast models. FHFA considers those demographic changes that are not captured by the model, along with the other factors listed in this section, as post-model adjustments when setting the housing goals benchmark levels. According to NAR, Millennials had represented the largest share of homebuyers for almost a decade until 2022.⁴⁷ Although they lost that spot to Baby Boomers in 2022, Millennials once again represented the largest share of

⁴⁵ Moody's Analytics, "Economic Data and Forecasts," August 2024.

⁴⁶ Edward Friedman, "U.S. Macroeconomic Outlook Baseline and Alternative Scenarios," *Moody's Analytics*, 2024.

⁴⁷ NAR, "2023 Home Buyers and Sellers Generational Trends Report," 2023, p. 8, *available at* <https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf>.

homebuyers in 2023, increasing from 28 percent to 38 percent.^{48 49} Furthermore, the number of minority households is projected to grow by 22 percent, or 9.3 million, from 2018 to 2028.⁵⁰

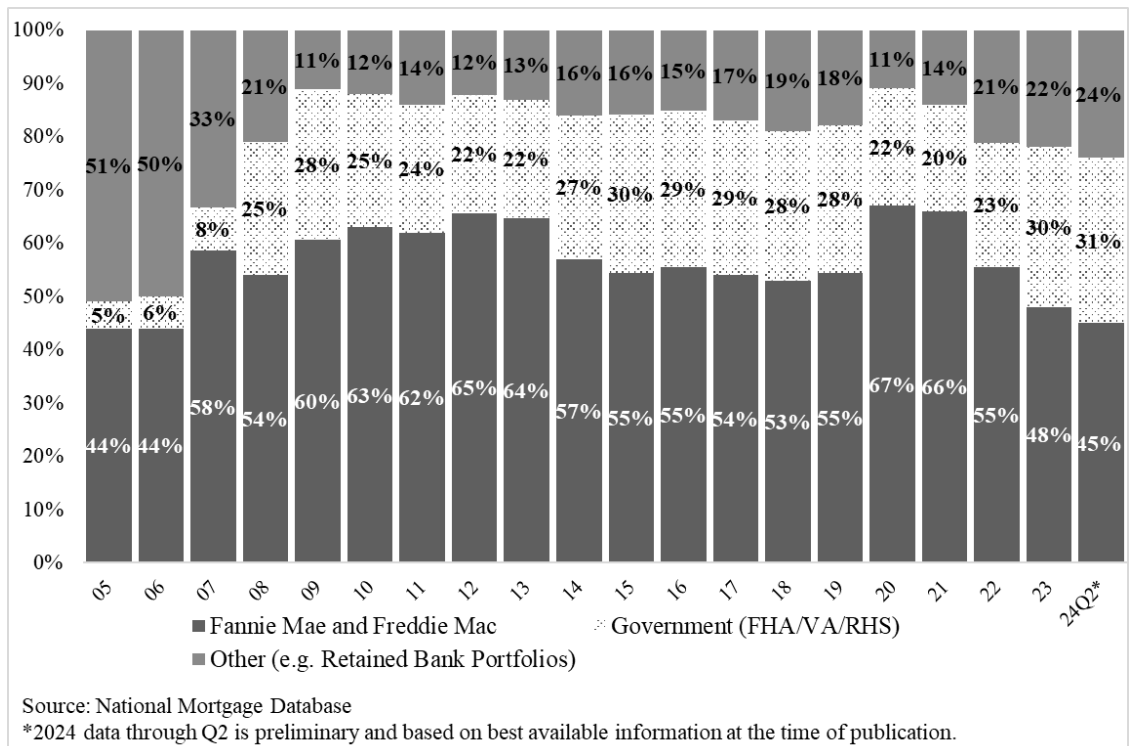
Ability of the Enterprises to lead the mortgage market. The Enterprises' overall share of the mortgage market is subject to fluctuation, as well. In the years preceding the 2008 financial crisis, the Enterprises' share of the market dropped to about 44 percent. As shown in Graph 1, that share rose to about 65 percent in 2012, but declined to about 55 percent in 2015. The Enterprises' share remained relatively stable until 2019, then jumped to 67 percent in 2020 as the Enterprises continued to acquire mortgages even as others in the market stepped back during the COVID-19 pandemic. Since then, the Enterprises' share has declined as the shares of government-guaranteed and government-insured loans, as well as the shares of other market participants, have grown. Government-guaranteed and government-insured loans are not eligible for housing goals credit.

Graph 1: Shares of the Conforming Mortgage Market

⁴⁸ *Ibid.*

⁴⁹ NAR, "2024 Home Buyers and Sellers Generational Trends Report," 2024, p. 8, *available at* <https://www.nar.realtor/sites/default/files/documents/2024-home-buyers-and-sellers-generational-trends-04-03-2024.pdf>.

⁵⁰ Daniel McCue, "Number of U.S. Households Projected to Increase by 12.2 Million in the Next Decade," Joint Center for Housing Studies of Harvard University, December 20, 2018, *available at* <https://www.jchs.harvard.edu/blog/number-of-u-s-households-projected-to-increase-by-12-2-million-in-the-next-decade>.



Graph 1 also shows that the Enterprises’ share of the conforming mortgage market returned to pre-pandemic levels in 2022 but declined significantly in 2023. Preliminary data shows further declines in 2024. Over the same period, the total Government share of the mortgage market (including the Federal Housing Administration, Department of Veterans Affairs, and Rural Housing Service) and the Other share (such as retained bank portfolios) expanded.

Need to maintain the sound financial condition of the Enterprises. During a period of affordability challenges and increased uncertainty around market conditions, setting the single-family housing goals benchmark levels too high could compromise safe and sound lending standards. FHFA carefully considered benchmark levels that would support access to mortgage lending for low-income families, families that reside in low-income areas, and very low-income families, while still allowing the Enterprises to adequately support all other segments of the market.

Past performance and effort of the Enterprises to achieve the housing goals.

Table 1 provides the annual performance of both Enterprises on the single-family housing goals between 2010 and 2023.

Table 1. Enterprise Single-Family Housing Goals Performance (2010-2023)

Low-Income Home Purchase Goal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	27.2	26.5	26.6	24.0	22.8	23.6	22.9	24.3	25.5	26.6	27.6	26.7	26.8	26.3
Benchmark	27.0	27.0	23.0	23.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	28.0	28.0
Fannie Mae Performance	25.1*	25.8*	25.6	23.8	23.5	23.5*	22.9	25.5	28.2	27.8	29.0	28.7	27.4	26.1+
Freddie Mac Performance	27.8	23.3*	24.4	21.8*	21.0*	22.3*	23.8	23.2*	25.8	27.4	28.5	27.4	29.0	28.5
Very Low-Income Home Purchase Goal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	8.1	8.0	7.7	6.3	5.7	5.8	5.4	5.9	6.5	6.6	7.0	6.8	6.8	6.5
Benchmark	8.0	8.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Fannie Mae Performance	7.2*	7.6*	7.3	6.0*	5.7	5.6*	5.2*	5.9	6.7	6.5	7.3	7.4	6.9	6.0+
Freddie Mac Performance	8.4	6.6*	7.1	5.5*	4.9*	5.4*	5.7	5.7*	6.3	6.8	6.9	6.3	7.1	6.8
Low-Income Areas Home Purchase Goal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	24.0	22.0	23.2	22.1	22.1	19.8	19.7	21.5	22.6	22.9	22.4	19.1	28.0	28.1
Benchmark	24.0	24.0	20.0	21.0	18.0	19.0	17.0	18.0	18.0	19.0	18.0	14.0	20.0	20.0
Fannie Mae Performance	24.1	22.4	22.3	21.6	22.7	20.4	20.2	22.9	25.1	24.5	23.6	20.3	29.6	28.1
Freddie Mac Performance	23.8*	19.2*	20.6	20*	20.1	19.0	19.9	20.9	22.6	22.9	21.8	18.0	28.7	29.5
Low-Income Census Tracts Home Purchase Subgoal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	-	-	-	-	-	-	-	-	-	-	-	-	9.7	9.8
Benchmark	-	-	-	-	-	-	-	-	-	-	-	-	4.0	4.0
Fannie Mae Performance	-	-	-	-	-	-	-	-	-	-	-	-	9.3	9.3
Freddie Mac Performance	-	-	-	-	-	-	-	-	-	-	-	-	9.1	9.4
Minority Census Tracts Home Purchase Subgoal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	-	-	-	-	-	-	-	-	-	-	-	-	12.1	12.5
Benchmark	-	-	-	-	-	-	-	-	-	-	-	-	10.0	10.0
Fannie Mae Performance	-	-	-	-	-	-	-	-	-	-	-	-	13.5	12.6
Freddie Mac Performance	-	-	-	-	-	-	-	-	-	-	-	-	12.8	13.2
Low-Income Refinance Goal														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Market	20.2	21.5	22.3	24.3	25.0	22.5	19.8	25.4	30.7	24.0	21.0	26.1	37.3	40.3
Benchmark	21.0	21.0	20.0	20.0	20.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	26.0	26.0

Fannie Mae Performance	20.9	23.1	21.8	24.3	26.5	22.1	19.5*	24.8	31.2	23.8	21.2	26.2	34.7	38.4
Freddie Mac Performance	22.0	23.4	22.4	24.1	26.4	22.8	21.0	24.8	27.3	22.4	19.7*	24.8	37.1	43.2

*Numbers marked with an asterisk indicate that the Enterprise failed to meet the goal.

+Numbers marked with a plus sign indicate that FHFA determined the goal to be infeasible.

B. Benchmark Levels for the Single-Family Housing Goals for 2025-2027 in the Final

Rule

The final rule establishes the following benchmark levels for the single-family housing goals and subgoals for 2025-2027:

1. Low-Income Home Purchase Goal

The low-income home purchase goal is based on the percentage share of all conventional, conforming, single-family, owner-occupied home purchase mortgages purchased by an Enterprise that are made to low-income families, defined as families with incomes less than or equal to 80 percent of AMI. Consistent with the proposed rule and FHFA’s market model, the final rule sets the annual low-income home purchase housing goal benchmark level for 2025-2027 at 25 percent. While this benchmark level is below the current benchmark level of 28 percent for 2022-2024, it is above the 24 percent benchmark level that was in place from 2015 through 2021 and is consistent with the updated forecast using Moody’s August 2024 baseline forecast and 2023 HMDA data. As explained further below, FHFA believes that this benchmark level is appropriate to enable the Enterprises to fulfill their statutory duty to facilitate the financing of affordable housing for all low-income families without compromising safe and sound lending standards during a period of affordability challenges and increased uncertainty around market conditions.

Table 2. Single-Family Low-Income Home Purchase Goal

Year	Historical Performance				Projected Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Actual Market Level	27.6%	26.7%	26.8%	26.3%				
Benchmark Level	24.0%	24.0%	28.0%	28.0%	28.0%	25.0%	25.0%	25.0%
Current Market Forecast					26.3% +/-	26.2% +/-	25.9% +/-	25.7% +/-

					2.6%	4.4%	5.7%	6.7%
Fannie Mae Performance								
Low-Income Home Purchase Mortgages	374,376	375,569	278,799	189,439				
Total Home Purchase Mortgages	1,288,806	1,306,459	1,016,371	726,139				
Low-Income % of Home Purchase Mortgages	29.0%	28.7%	27.4%	26.1%				
Freddie Mac Performance								
Low-Income Home Purchase Mortgages	280,561	329,426	264,118	209,432				
Total Home Purchase Mortgages	982,888	1,201,540	911,037	735,932				
Low-Income % of Home Purchase Mortgages	28.5%	27.4%	29.0%	28.5%				

Recent performance and forecasts. As shown in Table 2, between 2020 and 2023, the low-income purchase market level, as measured by HMDA data, declined from 27.6 percent to 26.3 percent. FHFA’s current model forecasts that market level to continue declining and end below 26 percent in 2027 with an average forecast midpoint value of 25.9 percent. Freddie Mac’s performance on this goal was 29.0 percent in 2022 and 28.5 percent in 2023, which was above both the benchmark and the market levels in those two years. Fannie Mae’s performance in 2022 was 27.4 percent, which was below the benchmark level but above the market level. However, in 2023, Fannie Mae’s performance was 26.1 percent, which was below both the benchmark and the market levels. FHFA determined that while Fannie Mae had missed the goal, the goal itself was not feasible for the Enterprise in 2023.⁵¹

FHFA rationale. As FHFA noted in the proposed rule preamble, “[t]he combination of high home prices and elevated mortgage rates along with continued limited housing supply has also contributed to a sharp decline in purchase loan origination volumes, as new homes are less affordable and existing homeowners are less likely to give up their low interest rate mortgage. For example, in 2022, lenders reported a 51 percent decrease in closed-end, site-built, single-family mortgage originations from 2021 volumes. Home prices grew by 43 percent between 2019 and 2022, while incomes

⁵¹ FHFA’s final determination of Fannie Mae’s performance for 2023, *available at* <https://www.fhfa.gov/sites/default/files/2024-11/2023-Final-Determination-Letter-Fannie-Mae.pdf>.

grew by just 7 percent over the same time.”⁵² These trends are reflected in the declining market share for the low-income home purchase goal segment as measured by HMDA data. Table 2 shows the decline from 26.8 percent in 2022 to 26.3 percent in 2023 amidst a sharp contraction in mortgage origination volume. Taking the market forecast average and current and forecast market conditions into consideration, the benchmark level in the final rule is set at 25 percent to encourage the Enterprises to continue to find ways to support low-income borrowers under current and forecast market conditions while not compromising safe and sound lending standards. Some commenters on the proposed rule supported the proposal to lower the benchmark level for this goal from the current 28 percent to 25 percent, recognizing the impact of a variety of market challenges and describing the proposed benchmark level as appropriate. Other commenters disagreed with the proposed lowered benchmark level, arguing that the Enterprises should be leading the market. Both Enterprises were supportive of the proposed benchmark level of 25 percent, describing it as meaningful, prudent, and consistent with the Safety and Soundness Act. After considering the comments and updated economic data that became available after FHFA issued the proposed rule, FHFA is adopting the proposed benchmark level of 25 percent in the final rule.

2. Very Low-Income Home Purchase Goal

The very low-income home purchase goal is based on the percentage share of all conventional, conforming, single-family, owner-occupied home purchase mortgages purchased by an Enterprise that are for very low-income families, defined as families with incomes less than or equal to 50 percent of AMI. Consistent with the proposed rule

⁵² 89 FR 70127, 70133 (citing “Data Point: 2022 Mortgage Market Activity and Trends,” Consumer Financial Protection Bureau, 2023, p.8, *available at* https://files.consumerfinance.gov/f/documents/cfpb_data-point-mortgage-market-activity-trends_report_2023-09.pdf; Alexander Hermann and Peyton Whitney, “Home Price-To-Income Ratio Reaches Record High,” Joint Center for Housing Studies of Harvard University, January 22, 2024, *available at* <https://www.jchs.harvard.edu/blog/home-price-income-ratio-reaches-record-high-0>; and Moody’s Analytics, “Economic Data and Forecasts,” February 2024).

and FHFA’s market model, the final rule sets the annual very low-income home purchase housing goal benchmark level for 2025-2027 at 6 percent. While this benchmark level is below the current benchmark level of 7 percent, it is in line with the benchmark level in place from 2015-2021 and the most recent market forecast midpoint average of 6.0 percent. FHFA has determined that a 6 percent benchmark level will serve as an appropriate target that will promote Enterprise efforts in this market segment.

Table 3. Single-Family Very Low-Income Home Purchase Goal

Year	Historical Performance				Projected Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Actual Market Level	7.0%	6.8%	6.8%	6.5%				
Benchmark Level	6.0%	6.0%	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%
Current Market Forecast					6.2% +/- 1.1%	6.1% +/- 2.0%	6.0% +/- 2.5%	5.9% +/- 3.0%
Fannie Mae Performance								
Very Low-Income Home Purchase Mortgages	93,909	97,154	69,919	43,792				
Total Home Purchase Mortgages	1,288,806	1,306,459	1,016,371	726,139				
Very Low-Income % of Home Purchase Mortgages	7.3%	7.4%	6.9%	6.0%				
Freddie Mac Performance								
Very Low-Income Home Purchase Mortgages	68,216	75,945	64,850	50,244				
Total Home Purchase Mortgages	982,888	1,201,540	911,037	735,932				
Very Low-Income % of Home Purchase Mortgages	6.9%	6.3%	7.1%	6.8%				

Recent performance and forecasts. As shown in Table 3, between 2020 and 2023, the very low-income purchase market level, as measured using HMDA data, declined from 7.0 percent to 6.5 percent. FHFA’s current model forecasts that the market for this goal will fall from 6.1 percent to 5.9 percent for the 2025-2027 period. While Freddie Mac’s performance in 2022 and 2023 was above both the benchmark and market levels, Fannie Mae’s performance in 2022 was above the market level but below the benchmark level. In 2023, Fannie Mae’s performance was below both the market and the benchmark levels. FHFA determined that the goal was not feasible for the Enterprise in 2023.

FHFA rationale. The 6 percent benchmark level in the final rule should encourage the Enterprises to continue their efforts to promote safe and sustainable lending to very low-income families. FHFA believes that setting the benchmark level at 6 percent is appropriate, reasonable, and supported by the current market forecast. As

noted in section II, some commenters on the proposed rule supported the proposal to lower the benchmark level for this goal from the current 7 percent to 6 percent, recognizing the market challenges, and describing it as appropriate. Other commenters disagreed with the proposed lowered benchmark level, arguing that the Enterprises should be leading the market. Both Enterprises supported the proposed benchmark level of 6 percent, describing it as meaningful, prudent, and consistent with the Safety and Soundness Act, while also noting that it will be challenging to meet. After considering the comments and updated economic data that became available after FHFA issued the proposed rule, FHFA is adopting the proposed benchmark level of 6 percent in the final rule.

3. *Minority Census Tracts Home Purchase Subgoal*

The minority census tracts home purchase subgoal is based on the percentage share of home purchase mortgages on conventional, conforming, single-family, owner-occupied properties to borrowers with incomes no greater than 100 percent of AMI in minority census tracts. The Safety and Soundness Act defines minority census tracts as those with a minority population of 30 percent or more and median census tract income of less than 100 percent of AMI. Consistent with the proposed rule and FHFA’s market model, the final rule increases the annual benchmark level for this subgoal for 2025-2027 from the current 10 percent to 12 percent. This benchmark level is slightly below the average market forecast of 12.7 percent. FHFA has determined that this benchmark level will serve as an appropriate target that will promote Enterprise efforts in this market segment.

Table 4. Single-Family Minority Census Tracts Home Purchase Subgoal

Year	Historical Performance				Projected Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Actual Market Level	9.2%	9.5%	12.1%	12.2%				
Benchmark Level	N/A	N/A	10.0%	10.0%	10.0%	12.0%	12.0%	12.0%
Current Market Forecast					12.3% +/- 1.4%	12.5% +/- 2.3%	12.7% +/- 3.0%	13.0% +/- 3.5%

Fannie Mae Performance				
Minority Census Tracts Home Purchase Mortgages	<i>129,996</i>	<i>143,340</i>	137,474	91,202
Total Home Purchase Mortgages	<i>1,288,806</i>	<i>1,306,459</i>	1,016,371	726,139
Minority Census Tracts % of Home Purchase Mortgages	<i>10.1%</i>	<i>11.0%</i>	13.5%	12.6%
Freddie Mac Performance				
Minority Census Tracts Home Purchase Mortgages	<i>89,998</i>	<i>111,691</i>	116,223	97,378
Total Home Purchase Mortgages	<i>982,888</i>	<i>1,201,540</i>	911,037	735,932
Minority Census Tracts % of Home Purchase Mortgages	<i>9.2%</i>	<i>9.3%</i>	12.8%	13.2%

The numbers in italics refer to FHFA’s tabulations of the market and Enterprise performance had this goal been in place before 2022.

Recent performance and forecasts. Table 4 shows the implied market levels and Enterprise performance in 2020 and 2021 (before FHFA established this subgoal), as well as market levels and Enterprise performance since this subgoal was established. Both Enterprises exceeded the benchmark and market levels for this subgoal in 2022 and 2023. The table also shows a pronounced increase in the market levels and in both Enterprises’ performance on this subgoal beginning in 2022, which was the first year of the new subgoal as well as the first year of new census tract boundaries based on the 2020 census. The average AMI increase in 2022 was unusually high, which led to more borrowers qualifying for this subgoal.⁵³ The number of census tracts rose from about 74,000 to 85,000 in the 2020 census, and the share of minority census tracts rose from 32.9 percent to 35.2 percent with this census update, leading to more loans qualifying for this subgoal.^{54 55} The imposition of the new subgoal also meant additional attention and effort at the Enterprises to meet the new subgoal’s benchmark level. With changes in the census tract boundaries, unusually high AMI increases, and the imposition of the new subgoal all occurring in 2022, it is difficult to isolate and conclusively determine the specific effect of each of these factors on the higher performance of the market and the Enterprises. FHFA will continue to analyze this trend.

⁵³ “HUD Publishes FY 2022 Income Limits; 99% of Counties Will See Increase,” Novogradac, April 19, 2022, available at <https://www.novoco.com/notes-from-novogradac/hud-publishes-fy-2022-income-limits-99-counties-will-see-increase>.

⁵⁴ See https://transition.fcc.gov/form477/Geo/more_about_2020_census_tracts.pdf.

⁵⁵ FHFA’s tabulations of census tracts data.

FHFA rationale. One commenter suggested that FHFA greatly increase the benchmark level for this subgoal given that the statutory definition of “minority census tract” is broad. As noted, the definition of “minority census tract” is statutory, and FHFA first established this subgoal in the 2022-2024 housing goals final rule.⁵⁶ For the 2022-2024 housing goals, FHFA set the benchmark level for this subgoal at 10 percent.⁵⁷ Given that the subgoal is still relatively new, an incremental increase over the benchmark level in the previous housing goals period will further the same purposes without being disruptive to the market. The 12 percent benchmark level is an appropriate level given the recent market and Enterprise performance, and the updated model forecast. FHFA believes that this benchmark level emphasizes the importance of providing access to mortgage credit for borrowers with incomes at or below 100 percent of AMI who reside or seek to reside in minority census tracts while taking current market conditions into consideration. Commenters strongly supported the proposed increase in the benchmark level to 12 percent. Several commenters highlighted the positive impact the proposed benchmark level would have on ensuring the Enterprises fulfill their statutory duty to facilitate the financing of affordable housing for low- and moderate-income families, including families of color. After considering the comments and updated economic data that became available after FHFA issued the proposed rule, FHFA is adopting the proposed benchmark level of 12 percent in the final rule.

4. Low-Income Census Tracts Home Purchase Subgoal

The low-income census tracts home purchase subgoal is based on the percentage share of conventional, conforming, single-family, owner-occupied home purchase mortgages that are: (1) to borrowers (regardless of income) in low-income census tracts that are not minority census tracts; and (2) to borrowers with incomes greater than 100

⁵⁶ 12 U.S.C. 4502(29).

⁵⁷ 86 FR 73641, 73651 (Dec. 28, 2021).

percent of AMI in low-income census tracts that are also minority census tracts.

Consistent with the proposed rule, the final rule sets the annual benchmark level for this subgoal for 2025-2027 at 4 percent, which is the same as the benchmark level for the 2022-2024 housing goals period. FHFA recognizes that this benchmark level is significantly lower than both the midpoint of the confidence intervals of the market forecast and the recent performance of the Enterprises. However, FHFA has determined that a relatively low benchmark level for this subgoal is appropriate because the subgoal includes housing goals credit for higher-income borrowers (higher than 100 percent of AMI) that may have ready access to mortgage credit even when purchasing homes in low-income census tracts. FHFA’s tabulation of 2023 HMDA data shows that 70 percent of the loans that qualified for credit under this subgoal were made to borrowers at or above 100 percent of AMI.

Table 5. Single-Family Low-Income Census Tracts Home Purchase Subgoal

Year	Historical Performance				Projected Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Actual Market Level	<i>8.5%</i>	<i>9.6%</i>	9.7%	9.8%				
Benchmark Level	<i>N/A</i>	<i>N/A</i>	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Current Market Forecast					10.1% +/- 0.7%	10.1% +/- 1.1%	10.1% +/- 1.5%	10.1% +/- 1.7%
Fannie Mae Performance								
Low-Income Census Tracts Home Purchase Mortgages	<i>106,362</i>	<i>122,177</i>	94,864	67,844				
Total Home Purchase Mortgages	<i>1,288,806</i>	<i>1,306,459</i>	1,016,371	726,139				
Low-Income Census Tracts % of Home Purchase Mortgages	<i>8.3%</i>	<i>9.4%</i>	9.3%	9.3%				
Freddie Mac Performance								
Low-Income Census Tracts Home Purchase Mortgages	<i>78,436</i>	<i>104,401</i>	82,883	69,459				
Total Home Purchase Mortgages	<i>982,888</i>	<i>1,201,540</i>	911,037	735,932				
Low-Income Census Tracts % of Home Purchase Mortgages	<i>8.0%</i>	<i>8.7%</i>	9.1%	9.4%				

The numbers in italics refer to FHFA’s tabulations of the market and Enterprise performance had this goal been in place before 2022.

Recent performance and forecasts. Table 5 shows that both Enterprises exceeded the benchmark level for this subgoal in 2022 and 2023. FHFA’s current model forecasts that the market for this subgoal will remain around 10.1 percent for 2025-2027.

FHFA rationale. The comments on this subgoal summarized in section II indicate that some commenters were unclear about the structure of this subgoal as well as FHFA’s

intent in setting a benchmark level well below its forecasted share. The benchmark is set at a level that balances the need for access to credit in low-income census tracts with the concern that a higher benchmark level could result in an incentive for the Enterprises to purchase loans made to higher-income borrowers in low-income census tracts, leading to displacement of low-income families in both low-income and minority census tracts. As FHFA explained when it first proposed implementing the minority census tracts home purchase subgoal in 2021, “[u]nder the proposed rule, for loans purchased from areas that meet the criteria for both minority and low-income census tracts, the borrower’s AMI would determine under which subgoal the loan would be eligible. If the borrower’s income is less than or equal to 100 percent of AMI, the loan would be counted towards the minority census tracts [home purchase] subgoal, and if the borrower’s income is above 100 percent of AMI, the loan would be counted towards the low-income census tracts [home purchase] subgoal.”⁵⁸ FHFA notes that the single-family low-income census tracts home purchase subgoal is not defined to cap the borrower’s income relative to AMI. For instance, as displayed in Table 6, FHFA’s analysis of HMDA data shows that approximately 68.7 percent of the loans that were made in 2023 that met the criteria for the subgoal were made to borrowers at or above 100 percent of AMI.

Table 6. Low-Income Census Tracts Subgoal: Borrower Income Distribution

Borrower Incomes Relative to AMI (HMDA)	2019	2020	2021	2022	2023
Borrower Income ≤ 50% AMI	9.1%	10.1%	9.2%	7.3%	7.4%
Borrower Income > 50% and ≤ 80% AMI	16.8%	17.6%	16.7%	14.0%	15.1%
Borrower Income > 80% and ≤ 100% AMI	7.6%	7.6%	7.7%	6.8%	7.2%
Borrower Income > 100% and ≤ 120% AMI	17.5%	16.9%	17.4%	19.2%	19.1%
Borrower Income > 120% AMI	47.2%	45.8%	47.3%	50.7%	49.6%
Income Missing	1.9%	1.9%	1.8%	2.1%	1.6%
Total	100%	100%	100%	100%	100%

Source: FHFA tabulation of HMDA data.

⁵⁸ 86 FR 47398, 47408 (Aug. 25, 2021).

As noted in the proposed rule preamble, FHFA is selecting a benchmark level lower than its model forecast midpoint and lower than recent Enterprise performance to avoid exacerbating the displacement of low-income residents in these low-income, non-minority census tracts as well as in low-income, minority census tracts. Setting this lower benchmark level addresses concerns about incentivizing purchases of loans to higher-income borrowers in low-income census tracts. However, this benchmark level is also intended to encourage the Enterprises to continue providing critically needed access to mortgage credit in low-income census tracts. After considering the comments and updated economic data that became available after FHFA issued the proposed rule, FHFA is adopting the proposed benchmark level of 4 percent in the final rule.

5. Low-Income Areas Home Purchase Goal

The benchmark level for the overall low-income areas housing goal is set annually by FHFA notice based on the sum of the benchmark levels for the low-income census tracts housing subgoal and the minority census tracts housing subgoal, plus an adjustment factor reflecting the additional incremental share of mortgages for low- and moderate-income families in designated disaster areas. FHFA will continue to set a benchmark level for the overall low-income areas housing goal that will reflect the adjustment factor for mortgages to families with incomes less than or equal to 100 percent of AMI who are located in federally declared disaster areas.⁵⁹ Accordingly, the low-income areas home purchase goal benchmark level is not included in the final rule. During the 2025-2027 housing goals period, FHFA will continue its annual practice to notify the Enterprises by letter of the benchmark level for the overall low-income areas housing goal for each year.

6. Low-Income Refinance Goal

⁵⁹ Disaster declarations are listed on the Federal Emergency Management Agency (FEMA) website at <https://www.fema.gov/disasters>.

The low-income refinance goal is based on the percentage share of all conventional, conforming, single-family, owner-occupied refinance mortgages purchased by an Enterprise that are for low-income families, defined as families with incomes less than or equal to 80 percent of AMI. Consistent with the proposed rule and the updated FHFA market model, the final rule sets the annual benchmark level for this goal for 2025-2027 at 26 percent, which is the same as the benchmark level for the 2022-2024 housing goals period. FHFA has determined that given the market challenges and the uncertainty of future mortgage rates, a 26 percent benchmark level will serve as an appropriate target that will promote Enterprise efforts in this segment.

Table 7. Single-Family Low-Income Refinance Goal

Year	Historical Performance				Projected Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Actual Market Level	21.0%	26.1%	37.3%	40.3%				
Benchmark Level	21.0%	21.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Current Market Forecast					38.5% +/- 3.1%	38.1% +/- 5.5%	36.4% +/- 7.0%	34.3% +/- 8.3%
Fannie Mae Performance								
Low-Income Refinance Mortgages	663,667	809,452	279,020	60,682				
Total Refinance Mortgages	3,133,931	3,089,529	803,634	157,984				
Low-Income % of Refinance Mortgages	21.2%	26.2%	34.7%	38.4%				
Freddie Mac Performance								
Low-Income Refinance Mortgages	490,176	658,845	254,332	54,906				
Total Refinance Mortgages	2,485,748	2,651,858	686,394	127,043				
Low-Income % of Refinance Mortgages	19.7%	24.8%	37.1%	43.2%				

When measured in percentage terms, annual performance in the overall market and by the Enterprises on low-income refinance mortgages tends to be inversely proportional to the volume of low-income refinance loans the market produces and the Enterprises purchase during a given year. For example, during the refinance boom of 2020, when mortgage rates were low, low-income refinance volume in the overall market soared to over 1.3 million loans, but the volume of all refinances in the market reached over 6.3 million.⁶⁰ This equated to a low-income refinance market performance of 21.0

⁶⁰ FHFA's tabulation of HMDA data.

percent. In contrast, in 2023, with higher mortgage rates, low-income refinance volume in the overall market contracted to roughly 160,000 loans and refinance volume overall fell to about 397,000 loans.⁶¹ This equated to a low-income refinance market performance of 40.3 percent. The Enterprises' performance on the low-income refinance goal followed the same pattern. Low-income refinance performance for both Enterprises increased significantly during this later period, even as the volume of their purchases of low-income refinance mortgages fell.

Recent performance and forecasts. As shown in Table 7, the market for low-income refinance loans rose sharply from 2020 to 2023, as reflected in the HMDA data. For example, the market level for low-income refinance loans was 21.0 percent in 2020 with low mortgage rates and was 40.3 percent in 2023 with elevated mortgage rates. At 19.7 percent, Freddie Mac was below the 21 percent benchmark level in 2020, but has met the goal since then, with performance rising to 43.2 percent in 2023. Fannie Mae has met the goal since 2020, with performance rising from 21.2 percent to 38.4 percent during that period.

FHFA rationale. Some commenters supported the proposed benchmark level of 26 percent, noting that the refinance market is highly sensitive to fluctuations in interest rates. One commenter asked FHFA to raise the benchmark level given the recent strong performance of the market and the Enterprises. As noted above, the Enterprises' annual performance on the low-income refinance goal tends to be inversely proportional to the volume of low-income refinance loans the market produces and the Enterprises purchase during a given year. Although mortgage rates are expected to decline during the 2025-2027 housing goals period, FHFA's model cannot forecast the low-income refinance market with a high degree of confidence due to the unpredictability of future interest rates and the strong sensitivity of refinance originations to interest rates. FHFA believes that

⁶¹ *Ibid.*

the 26 percent benchmark level in the final rule is reasonable given these forecasting challenges. Many current mortgage holders are unlikely to refinance without a substantial reduction in mortgage rates. FHFA is not aware of any long-term data series that captures this impact that can be used in the forecast model. FHFA also recognizes that if interest rates were to decline significantly, the benchmark level of 26 percent could be difficult for the Enterprises to achieve based on market conditions. It is for this reason that the final rule establishes the benchmark level of 26 percent for this goal, as proposed, and establishes measurement buffers for this goal, which are further discussed below.

V. Measurement Buffers

For the three single-family housing goals subject to the measurement buffers, FHFA proposed numerical factors to encourage each Enterprise to focus on achieving the housing goal by meeting the market level if the benchmark level is higher than the market level, despite the uncertainty regarding the final market level throughout the course of the year.⁶² Specifically, for 2025-2027, as proposed, the final rule provides that if the benchmark level for the single-family low-income home purchase, very low-income home purchase, or low-income refinance housing goal is higher than the market level for the goal, an Enterprise that fails to meet the goal will not be required to submit a housing plan if the Enterprise's performance meets or exceeds: (i) the market level minus 1.3 percentage points for the low-income home purchase goal; (ii) the market level minus 0.5 percentage points for the very low-income home purchase goal; or (iii) the market level minus 1.3 percentage points for the low-income refinance goal. To ensure that an Enterprise does not rely entirely on these measurement buffers, if an Enterprise fails to meet one of the applicable goals in both 2025 and 2026, the measurement buffer will not apply to that goal in 2027.

⁶² As previously noted, the proposed rule referred to the measurement buffers as "Enforcement Factors".

Fannie Mae commented that FHFA should establish similar factors for the single-family housing subgoals. The final rule does not include a measurement buffer for the single-family minority census tracts home purchase subgoal or the single-family low-income census tracts home purchase subgoal. FHFA is not adopting a measurement buffer for the minority census tracts home purchase subgoal due to the Enterprises' recent performance on this subgoal. A measurement buffer is unnecessary for the low-income census tracts home purchase subgoal because the benchmark level for the subgoal is being established below historic Enterprise performance to address potentially unintended consequences of Enterprise purchases in those areas.

FHFA considers the measurement buffers to be a transparent and fair means to encourage each Enterprise to achieve these three single-family housing goals by meeting the market level despite uncertainty about the market level during the measurement period. FHFA also notes, as it did in the NPRM, that these measurement buffers will be in place for the 2025-2027 housing goals period due to the heightened uncertainty in macroeconomic conditions and the difficult mortgage market that is currently forecast for 2025-2027. Additionally, if an Enterprise fails to meet one of the applicable single-family housing goals in both 2025 and 2026, the measurement buffer for that goal will not apply in 2027.

VI. Multifamily Housing Goals and Subgoal

A. Factors Considered in Setting the Multifamily Housing Goal Benchmark Levels

The Safety and Soundness Act requires FHFA to consider the following six factors in setting the multifamily housing goals:

1. National multifamily mortgage credit needs and the ability of the Enterprises to provide additional liquidity and stability for the multifamily mortgage market;

2. The performance and effort of the Enterprises in making mortgage credit available for multifamily housing in previous years;
3. The size of the multifamily mortgage market for housing affordable to low-income and very low-income families, including the size of the multifamily markets for housing of a smaller or limited size;
4. The ability of the Enterprises to lead the market in making multifamily mortgage credit available, especially for multifamily housing affordable to low-income and very low-income families;
5. The availability of public subsidies; and
6. The need to maintain the sound financial condition of the Enterprises.⁶³

Unlike the single-family housing goals, performance on the multifamily housing goals is measured solely against benchmark levels set by FHFA in the regulation, without any retrospective market measure. The absence of a retrospective market measure for the multifamily housing goals results, in part, from the lack of comprehensive data about the multifamily mortgage market. Unlike the single-family mortgage market, where HMDA provides a reasonably comprehensive dataset about single-family mortgage originations each year, the multifamily mortgage market (and the affordable multifamily mortgage market segment) has no comparable single, unified source with coverage extending across many years. As a result, it is difficult to correlate different datasets that rely on different reporting metrics.

The lack of comprehensive data for the multifamily mortgage market is even more acute with respect to the segments of the market that are targeted to low-income families, defined as families with incomes at or below 80 percent of AMI, and very low-income families, defined as families with incomes at or below 50 percent of AMI.

⁶³ 12 U.S.C. 4563(a)(4).

Unlike the single-family housing goals, which set separate benchmark levels for home purchase and refinance mortgages, the multifamily housing goals include all Enterprise multifamily mortgage purchases, regardless of the purpose of the loan.

In consideration of public comments and to improve the responsiveness of the multifamily housing goals to market conditions, in 2023, FHFA revised the housing goals regulation to change the multifamily housing goals benchmark levels from a numeric benchmark level for units to a percentage of affordable units in multifamily properties financed by mortgages purchased by the Enterprise each year. This ensures that the multifamily housing goals remain meaningful in different market conditions and enables the Enterprises to respond to those conditions while continuing to serve affordable segments.⁶⁴

FHFA has considered each of the six statutory factors in setting the benchmark levels for each of the multifamily housing goals in the final rule. Five of the factors relate to the multifamily mortgage market and the Enterprises' role in that market. Those factors generally have similar impacts on each of the multifamily housing goals and are discussed below. The past performance of the Enterprises is discussed separately for each of the multifamily housing goals.

Multifamily mortgage market. FHFA's consideration of the multifamily mortgage market credit needs addresses the size and competitiveness of the overall multifamily mortgage market as well as the subset that is affordable to low-income and very low-income families. In August 2024, MBA forecasted that multifamily mortgage originations would increase from the \$246 billion estimated in 2023 to \$297 billion in 2024, then to \$390 billion in 2025.⁶⁵ MBA noted that the moderation in interest rates

⁶⁴ 12 CFR 1282.13.

⁶⁵ "MBA Forecast: Commercial/Multifamily Borrowing and Lending to Increase 26 Percent to \$539 Billion in 2024," Mortgage Bankers Association, August 29, 2024, *available at* <https://www.mba.org/news-and-research/newsroom/news/2024/08/29/mba-forecast-commercial-multifamily-borrowing-and-lending-to-increase-26-percent-to-539-billion-in-2024>.

along with the large volume of loans maturing should result in an increase in borrowing relative to 2023 and 2024, but the timing of this borrowing is uncertain.⁶⁶

According to the National Multifamily Housing Council’s tabulation of American Community Survey microdata, in 2023, about 47 percent of renter households (22 million households) lived in multifamily properties.^{67 68}

Affordability in the multifamily mortgage market. In its *America’s Rental Housing 2024* report, Harvard University’s Joint Center for Housing Studies (JCHS) found that rent growth had moderated following historically high rent growth in 2021 and 2022.⁶⁹ For instance, in the third quarter of 2023, rent growth for professionally managed apartments was 0.4 percent, compared to 15.3 percent in early 2022.⁷⁰ Despite the recent slowdown in rent growth, the extended period of rising rents corresponds to the continued stress on renters, with the share of cost-burdened renters continuing to remain elevated.

For purposes of the Enterprise housing goals, the Safety and Soundness Act requires FHFA to determine affordability based on whether rent levels are affordable. The Safety and Soundness Act defines a rent level as affordable if a family’s rent and utility expenses do not exceed 30 percent of the maximum income level for each income category, with appropriate adjustments for unit size as measured by the number of bedrooms.⁷¹ The JCHS report found that the share of cost-burdened renters, particularly among low-income and very low-income households, continues to grow.⁷² A household

⁶⁶ *Ibid.*

⁶⁷ Single-family properties are defined as structures with one to four units. Multifamily properties are defined as structures with five or more units.

⁶⁸ “Review of Household Characteristics, (n.d.),” National Multifamily Housing Council, *available at* <https://www.nmhc.org/research-insight/quick-facts-figures/quick-facts-resident-demographics/household-characteristics>.

⁶⁹ “America’s Rental Housing 2024,” Joint Center for Housing Studies of Harvard University, 2024, p. 1, *available at* https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf.

⁷⁰ *Ibid.*

⁷¹ 12 U.S.C. 4563(c).

⁷² “America’s Rental Housing 2024,” Joint Center for Housing Studies of Harvard University, 2024, p. 2, *available at*

is considered cost-burdened if it spends more than 30 percent of its income on housing, and severely cost-burdened if it spends more than 50 percent of its income on housing. The JCHS report shows that the share of cost-burdened renters across all income segments rose by 3.2 percentage points to 50 percent from 2019 to 2022.⁷³ The share of cost-burdened renters earning between \$45,000 and \$74,999 increased the most, rising by 5.4 percentage points.⁷⁴

In *The State of the Nation's Housing 2024* report, JCHS noted the significant rise in new rental supply as 449,900 units were added in 2023, a 22 percent rise from 2022 and the highest number of completions in more than 30 years.⁷⁵ However, the growth in new rental supply is expected to slow down as multifamily starts fell by 14 percent in 2023, and this decline has accelerated.⁷⁶ While the addition of rental units may limit rent growth, the JCHS report found that new rental units are primarily targeted towards the upper end of the market, with a median asking rent of \$1,710 in the third quarter of 2023, compared to \$1,440 in 2014.⁷⁷

Role of the Enterprises. In adopting the multifamily housing goal benchmark levels for 2025-2027 in the final rule, FHFA has considered the ability of the Enterprises to lead the market in making multifamily mortgage credit available. The Enterprises' share of the overall multifamily mortgage market increased in the years immediately following the 2008 financial crisis but has declined more recently in response to growing private sector participation. The Enterprises' share of the multifamily market was over

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ "The State of the Nation's Housing 2024," Joint Center for Housing Studies of Harvard University, 2024, p. 13, *available at*

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf.

⁷⁶ *Ibid.*

⁷⁷ *Ibid.*

70 percent in 2008 and 2009, compared to 36 percent in 2015.^{78 79} The total share was 40 percent or higher from 2016 to 2020. However, in 2021 and 2022, when multifamily origination volume was relatively robust, the combined Enterprise share was estimated to be below 30 percent before increasing to 41 percent in 2023.⁸⁰ Through the second quarter of 2024, the combined Enterprise share is estimated to be 35 percent.⁸¹

FHFA recognizes that the multifamily housing goals are just one measure of how the Enterprises contribute to and participate in the multifamily market. Other Enterprise multifamily activities include those under their Duty to Serve Underserved Markets Plans, Low-Income Housing Tax Credit (LIHTC) equity financing, and the mission-driven elements of FHFA’s Conservatorship Scorecard. Together with the housing goals, these programmatic activities provide support to renter households, including low-income families spending more than 30 percent of their income on housing. FHFA will continue to monitor these initiatives and priorities to maintain appropriate focus by the Enterprises, including compliance with the Enterprises’ charter acts and safety and soundness considerations.

FHFA expects the Enterprises to continue to demonstrate leadership in supporting affordable housing in the multifamily market by providing liquidity for housing for tenants at different income levels in various geographies and market segments. This support should continue throughout the economic cycle, even as the overall size of the multifamily mortgage market fluctuates.

Availability of public subsidies. Multifamily housing assistance is primarily available in two forms – demand-side public subsidies that either directly assist low-

⁷⁸ “The GSE’s Shrinking Role in the Multifamily Market,” Urban Institute, April 2015, p. 4, *available at* <https://www.urban.org/sites/default/files/publication/48986/2000174-The-GSEs-Shrinking-Role-in-the-Multifamily-Market.pdf>.

⁷⁹ “Multifamily Business Information Presentation,” Fannie Mae, November 2024, p. 3, *available at* https://multifamily.fanniemae.com/media/37196/display_

⁸⁰ *Ibid.*

⁸¹ *Ibid.*

income tenants (e.g., Section 8 vouchers) or provide project-based rental assistance (e.g., Section 8 contracts), and supply-side public subsidies that support the creation and preservation of affordable housing (e.g., public housing and LIHTCs). The availability of public subsidies impacts the overall affordable multifamily housing market, and significant changes to long-standing public subsidy programs could impact the ability of the Enterprises to meet the housing goals. The Enterprises also provide liquidity to facilitate the preservation of public subsidies through their purchases of mortgages that finance the preservation of existing affordable housing units (especially for restructurings of older properties that reach the end of their initial 15-year LIHTC compliance periods) and for refinancing properties with expiring Section 8 Housing Assistance Payment contracts.

The need for public subsidies persists as the number of cost-burdened renters remains high, at over 22.4 million renter households in 2022.⁸² The Center on Budget and Policy Priorities estimates that only one in four eligible households currently receive Federal housing assistance.⁸³

In 2025 and beyond, there should continue to be opportunities in the multifamily mortgage market to provide permanent financing for properties with LIHTCs and to preserve existing affordable units, as described above.

Maintaining the sound financial condition of the Enterprises. In establishing multifamily housing goals benchmark levels for 2025-2027 in the final rule, FHFA must balance the role of the Enterprises in providing liquidity and supporting various multifamily mortgage market segments with the need to maintain the Enterprises' sound

⁸² "America's Rental Housing 2024," Joint Center for Housing Studies of Harvard University, 2024, p. 2, available at https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf.

⁸³ Sonya Acosta, "Final 2023 Funding Bill Should Support, Expand Housing Vouchers. Center on Budget and Policy Priorities", December 2022, available at <https://www.cbpp.org/blog/final-2023-funding-bill-should-support-expand-housing-vouchers>.

and solvent financial condition. The Enterprises have served as a stabilizing force in the multifamily mortgage market across economic cycles, and their loans on affordable multifamily properties have experienced low levels of delinquency and default that are similar to those of market rate properties.

FHFA continues to monitor the activities of the Enterprises in this market. As discussed above and consistent with the authorities described in the Enterprise housing goals regulation, FHFA may take any steps it determines necessary and appropriate after adoption of this final rule to address the multifamily housing goals benchmark levels to ensure the Enterprises' continued safety and soundness.

Past performance of the Enterprises. Before finalizing the benchmark levels for the multifamily housing goals in this final rule, FHFA reviewed any additional data (including Enterprise performance after the proposed rule was published) that became available about the performance of the Enterprises with regard to the multifamily housing goals. For each multifamily housing goals benchmark level, FHFA summarized the relevant performance of the Enterprises in the context of that goal or subgoal discussed in section B. *Multifamily Housing Goals Benchmark Levels in the Final Rule—§ 1282.13.*

Based on FHFA's consideration of the statutory factors described above, any developments in the multifamily mortgage market, and comments received on the proposed multifamily housing goals benchmark levels, the final rule establishes the benchmark levels for the multifamily housing goals, as further discussed below.

1. Multifamily Low-Income Housing Goal

The multifamily low-income housing goal is the percentage share of all goal-eligible units in multifamily properties financed by mortgages purchased by the Enterprises that are affordable to low-income families in any given year. Low-income families are defined as those with incomes less than or equal to 80 percent of AMI. The final rule sets the annual benchmark level for this goal for 2025-2027 at 61 percent of

goal-eligible units acquired. This is the same benchmark level as in the proposed rule and that was in place for the 2023-2024 housing goals period. It is consistent with FHFA’s analysis of the current and expected multifamily market, which indicates fewer affordable units to support, rising price per unit, and uncertain market conditions.

Table 8. Multifamily Low-Income Housing Goal

Year	Historical Performance							
	2020	2021	2022	2023	2024	2025	2026	2027
Low-Income Multifamily Benchmark Level	315,000	315,000	415,000	61%	61%	61%	61%	61%
Fannie Mae Performance								
Low-Income Multifamily Units	441,773	384,488	419,361	317,032				
Total Multifamily Units	637,696	557,152	542,347	415,513				
Low-Income % Total Units	69.3%	69.0%	77.3%	76.3%				
Freddie Mac Performance								
Low-Income Multifamily Units	473,338	373,225	420,107	231,968				
Total Multifamily Units	664,638	540,541	567,249	345,702				
Low-Income % of Total Units	71.2%	69.0%	74.1%	67.1%				

Recent performance. Table 8 shows the annual share of goal-qualifying low-income multifamily units in properties backing mortgages acquired by each Enterprise from 2020 through 2023.⁸⁴ In addition, the historical performance share average for the pre-pandemic years of 2017-2019 would have been 65.1 percent for Fannie Mae and 67.3 percent for Freddie Mac.⁸⁵

FHFA rationale. FHFA has considered the statutory factors for the multifamily housing goals, including current market conditions, the Enterprises’ performance, and the Enterprises’ role in the market, as well as the public comments received (summarized in section II). Several commenters supported the proposed benchmark level of 61 percent for this goal, while other commenters recommended that FHFA establish a higher benchmark level. FHFA remains concerned that elevated interest rates are continuing to contribute to the increasing costs of owning low-income multifamily units. FHFA also

⁸⁴ 12 CFR 1282.16 (Special Counting Requirements).

⁸⁵ See 87 FR 50800 (Aug. 18, 2022).

remains concerned that expected declines in affordable originations and increases in rents are likely to cause fewer units to qualify as affordable for low-income families. These challenges are expected to persist in 2025-2027, as rent increases and insufficient supply of affordable housing are likely to result in more low-income families paying more than 30 percent of their incomes for rent.⁸⁶ In light of FHFA’s consideration of the statutory factors and the comments on the proposed goal, FHFA is adopting the proposed benchmark level of 61 percent for this goal for 2025-2027 in the final rule.

2. Multifamily Very Low-Income Housing Goal

The multifamily very low-income housing goal is the percentage share of all goal-eligible units in multifamily properties financed by mortgages purchased by the Enterprises that are affordable to very low-income families in any given year. Very low-income families are defined as those with incomes less than or equal to 50 percent of AMI. The final rule sets the annual benchmark level for this goal for 2025-2027 at 14 percent of goal-eligible units acquired, which is the same as the proposed benchmark level but higher than the current 12 percent benchmark level applicable for the 2023-2024 housing goals period.

Table 9. Multifamily Very Low-Income Housing Goal

Year	Historical Performance							
	2020	2021	2022	2023	2024	2025	2026	2027
Very Low-Income Multifamily Benchmark Level	60,000	60,000	88,000	12%	12%	14%	14%	14%
Fannie Mae Performance								
Very Low-Income Multifamily Units	95,416	83,459	127,905	77,509				
Total Multifamily Units	637,696	557,152	542,347	415,513				
Very Low-Income % of Total Units	15.0%	15.0%	23.6%	18.7%				
Freddie Mac Performance								
Very Low-Income Multifamily Units	107,105	87,854	127,733	71,217				
Total Multifamily Units	664,638	540,541	567,249	345,702				
Very Low-Income % of Total Units	16.1%	16.3%	22.5%	20.6%				

⁸⁶ See “The State of the Nation’s Housing 2024,” Joint Center for Housing Studies of Harvard University, June 2024, available at <https://www.jchs.harvard.edu/state-nations-housing-2024>.

Recent performance. Table 9 shows the number and share of goal-qualifying very low-income multifamily units as a percentage of the total goal-eligible units in properties backing mortgages acquired by each Enterprise. In addition, the historical performance share average for the pre-pandemic years of 2017-2019 would have been 13.1 percent for Fannie Mae and 15.6 percent for Freddie Mac.⁸⁷

FHFA rationale. FHFA has considered the statutory factors for the multifamily housing goals, including current market conditions and the Enterprises' role in the market. FHFA has also considered the comments received in response to the proposed benchmark level for this goal that are summarized in section II. As with the multifamily low-income housing goal, several commenters thought that FHFA could slightly increase the benchmark level for the multifamily very low-income housing goal. As discussed above, FHFA remains concerned that elevated interest rates and the severe disparity between demand and supply of units affordable to very low-income renters are continuing to contribute to the increasing costs of owning very low-income multifamily units. These factors are expected to result in fewer units that qualify as affordable for very low-income families. As a result, FHFA believes that a benchmark level of 14 percent for this goal will encourage the Enterprises to continue to adequately serve very low-income families, while accounting for the challenges associated with elevated interest rates, lower volume of loan transactions, and the lack of affordable units in the multifamily market, as well as continued uncertain economic conditions.

FHFA believes that raising the benchmark level for this goal from the current 12 percent to 14 percent is appropriate and achievable considering the past performance of the Enterprises on this goal. Accordingly, FHFA is adopting the proposed benchmark level of 14 percent for this goal for 2025-2027 in the final rule.

⁸⁷ See 87 FR 50801 (Aug. 18, 2022).

3. *Small Multifamily Low-Income Housing Subgoal*

The current Enterprise housing goals regulation defines a small multifamily property as having 5 to 50 units. The small multifamily low-income housing subgoal is based on the share of units in small multifamily properties affordable to low-income families as a percentage of all goal-eligible units in all multifamily properties financed by mortgages purchased by the Enterprises in a given year. Low-income families are defined as those with incomes less than or equal to 80 percent of AMI. The final rule sets the annual benchmark level for this subgoal for 2025-2027 at 2 percent of goal-eligible units acquired, as proposed, which is slightly lower than the current 2.5 percent benchmark level for the 2023-2024 housing goals period. FHFA believes that with a 2 percent benchmark level, the Enterprises will remain positioned to support this market when needed without crowding out other sources of financing for small multifamily properties.

Table 10. Small (5-50 units) Multifamily Low-Income Subgoal

Year	Historical Performance							
	2020	2021	2022	2023	2024	2025	2026	2027
Fannie Mae Small Low-Income Multifamily Benchmark Level	10,000	10,000	17,000	2.5%	2.5%	2.0%	2.0%	2.0%
Freddie Mac Small Low-Income Multifamily Benchmark Level	10,000	10,000	23,000	2.5%	2.5%	2.0%	2.0%	2.0%
Fannie Mae Performance								
Small Low-Income Multifamily Units	21,797	14,409	21,436	13,241				
Total Multifamily Units	637,696	557,152	542,347	415,513				
Small Low-Income % of Total Units	3.4%	2.6%	4.0%	3.2%				
Freddie Mac Performance								
Small Low-Income Multifamily Units	28,142	31,913	27,103	14,006				
Total Multifamily Units	664,638	540,541	567,249	345,702				
Small Low-Income % of Total Units	4.2%	5.9%	4.8%	4.1%				

Recent performance. Table 10 shows Enterprise performance on this subgoal, including the previous numeric benchmark levels applicable through 2022 and the percentage-based metric that began in 2023. FHFA recognizes that the Enterprises have different business approaches to the small multifamily market segment, and that each

Enterprise sets its own credit risk tolerance for these products. As a result, each Enterprise has performed very differently on this subgoal. Since 2020, Freddie Mac has exceeded Fannie Mae in terms of percentage share of total units and volume of low-income units in small (5-50) multifamily properties.

FHFA rationale. FHFA has considered the statutory factors for the multifamily housing goals, the purpose of this subgoal, and the comments received on the proposed benchmark level for this subgoal. As noted in section II, several commenters supported the proposed benchmark level of 2 percent, with one commenter noting that this market segment is well-supported by private capital sources. Other commenters disagreed with the proposed benchmark level, recommending that FHFA raise or maintain the existing benchmark level. Both Enterprises supported the proposed benchmark level, recognizing that their role is to provide liquidity without crowding out the private capital sources that have historically served this market segment.

FHFA has observed increased private sector financing for small multifamily properties in recent years, and as a result, less activity among secondary mortgage market participants. Therefore, FHFA believes that a benchmark level of 2 percent should be adequate for the Enterprises to support this market segment when needed without crowding out other sources of financing for small multifamily properties. Accordingly, FHFA is adopting the proposed benchmark level of 2 percent for this goal for 2025-2027 in the final rule.

VII. Paperwork Reduction Act

The final rule does not contain any information collection requirement that requires the approval of the Office of Management and Budget (OMB) under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Therefore, FHFA has not submitted the final rule to OMB for review.

VIII. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires that a regulation that has a significant economic impact on a substantial number of small entities, small businesses, or small organizations must include an initial regulatory flexibility analysis describing the regulation's impact on small entities. Such an analysis need not be undertaken if the agency has certified that the regulation will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b). FHFA has considered the impact of the final rule under the Regulatory Flexibility Act. FHFA certifies that the final rule will not have a significant economic impact on a substantial number of small entities because the final rule applies to Fannie Mae and Freddie Mac, which are not small entities for purposes of the Regulatory Flexibility Act.

IX. Congressional Review Act

In accordance with the Congressional Review Act (5 U.S.C. 801 *et seq.*), FHFA has determined that this final rule is a major rule and has verified this determination with the Office of Information and Regulatory Affairs of OMB.

List of Subjects in 12 CFR Part 1282

Mortgages, Reporting and recordkeeping requirements.

Accordingly, for the reasons stated in the Preamble, FHFA amends part 1282 of title 12 of the Code of Federal Regulations as follows:

PART 1282—ENTERPRISE HOUSING GOALS AND MISSION

1. The authority citation for part 1282 continues to read as follows:

Authority: 12 U.S.C. 4501, 4502, 4511, 4513, 4526, 4561—4566.

2. Amend § 1282.1 by revising the definition of “Designated disaster area” to read as follows:

§ 1282.1 Definitions.

* * * * *

Designated disaster area means any census tract that is located in a county designated by the President as adversely affected by a declared major disaster administered by FEMA under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), where housing assistance payments were authorized by FEMA. A census tract shall be treated as a “designated disaster area” for purposes of this part beginning on the January 1 after the major disaster declaration of the county, or such earlier date as determined by FHFA, and continuing through December 31 of the third full calendar year following the major disaster declaration. This time period may be adjusted for a particular disaster area by notice from FHFA to the Enterprises.

* * * * *

3. Amend § 1282.11 by revising paragraph (a)(1) to read as follows:

§ 1282.11 General.

(a) * * *

(1) Three single-family owner-occupied purchase money mortgage housing goals, two single-family owner-occupied purchase money mortgage housing subgoals, a single-family refinancing mortgage housing goal, two multifamily housing goals, and a multifamily housing subgoal;

* * * * *

4. Amend § 1282.12 by revising paragraphs (c)(2), (d)(2), (f)(2)(ii), (g)(2), and (h)(2) to read as follows:

§ 1282.12 Single-family housing goals and subgoals.

* * * * *

(c) * * *

(2) The benchmark level, which for 2025, 2026, and 2027 shall be 25 percent of the total number of purchase money mortgages purchased by that Enterprise in each year that finance owner-occupied single-family properties.

(d) * * *

(2) The benchmark level, which for 2025, 2026, and 2027 shall be 6 percent of the total number of purchase money mortgages purchased by that Enterprise in each year that finance owner-occupied single-family properties.

* * * * *

(f) * * *

(2) * * *

(ii) The benchmark level, which for 2025, 2026, and 2027 shall be 4 percent of the total number of purchase money mortgages purchased by that Enterprise in each year that finance owner-occupied single-family properties.

(g) * * *

(2) The benchmark level, which for 2025, 2026, and 2027 shall be 12 percent of the total number of purchase money mortgages purchased by that Enterprise in each year that finance owner-occupied single-family properties.

(h) * * *

(2) The benchmark level, which for 2025, 2026, and 2027 shall be 26 percent of the total number of refinancing mortgages purchased by that Enterprise in each year that finance owner-occupied single-family properties.

5. Revise § 1282.13 to read as follows:

§ 1282.13 Multifamily housing goals and subgoal.

(a) *Multifamily housing goals and subgoal.* An Enterprise shall be in compliance with a multifamily housing goal or subgoal if its performance under the housing goal or subgoal meets or exceeds the benchmark level for the goal or subgoal, respectively.

(b) *Multifamily low-income housing goal.* The percentage share of dwelling units in multifamily residential housing financed by mortgages purchased by each Enterprise that consists of dwelling units affordable to low-income families shall meet or exceed 61 percent of the total number of dwelling units in multifamily residential housing financed by mortgages purchased by the Enterprise in each year for 2025, 2026, and 2027.

(c) *Multifamily very low-income housing goal.* The percentage share of dwelling units in multifamily residential housing financed by mortgages purchased by each Enterprise that consists of dwelling units affordable to very low-income families shall meet or exceed 14 percent of the total number of dwelling units in multifamily residential housing financed by mortgages purchased by the Enterprise in each year for 2025, 2026, and 2027.

(d) *Small multifamily low-income housing subgoal.* The percentage share of dwelling units in small multifamily properties financed by mortgages purchased by each Enterprise that consists of dwelling units affordable to low-income families shall meet or exceed 2 percent of the total number of dwelling units in all multifamily residential housing financed by mortgages purchased by the Enterprise in each year for 2025, 2026, and 2027.

6. Amend § 1282.15 by:

- a. In paragraph (b)(2), remove the first instance of “subgoal” and add, in its place,
“subgoals”;
- b. Revise the heading and the first sentence of paragraph (c);
- c. In paragraphs (d)(1), (3), and (4) and (e)(3), remove the phrase “housing goal and subgoals” wherever it appears and add in its place the phrase “housing goals and subgoal”;
- d. Revise the heading to paragraph (e); and

e. In paragraph (e)(2), remove the phrase “housing goal or subgoals” and add in its place the phrase “housing goals or subgoal”.

The revisions read as follows:

§ 1282.15 General counting requirements.

* * * * *

(c) *Calculating the numerator and denominator for multifamily housing goals and subgoal.* Performance under the multifamily housing goals and subgoal shall be measured using a fraction that is converted into a percentage. * * *

* * * * *

(e) *Missing data or information for multifamily housing goals and subgoal.* * * *

* * * * *

7. Revise § 1282.20 to read as follows:

§ 1282.20 Preliminary determination of compliance with housing goals; notice of preliminary determination.

(a) *Preliminary determination.* On an annual basis, the Director will evaluate each Enterprise's performance under each single-family housing goal and subgoal and each multifamily housing goal and subgoal. The Director will make a preliminary determination of whether an Enterprise has failed, or there is a substantial probability that an Enterprise will fail, to meet each housing goal or subgoal established by this subpart.

(b) *Notice of preliminary determination.* The Director will provide written notice to each Enterprise of the preliminary determination of its performance under each housing goal and subgoal established by this subpart, the reasons for such determination, and the information on which the Director based the determination.

(c) *Response by Enterprise.* Any notification to an Enterprise of a preliminary determination under this section will provide the Enterprise with an opportunity to respond in writing in accordance with the procedures at 12 U.S.C. 4566(b). Relevant

information in a timely written response from an Enterprise will be included in the information the Director considers when making a final determination of housing goals compliance under § 1282.21.

§ 1282.21 [Redesignated as § 1282.22]

8. Redesignate § 1282.21 as § 1282.22.
9. Add new § 1282.21 to read as follows:

§ 1282.21 Final determination of compliance with housing goals; notice of final determination.

(a) *Final determination.* On an annual basis, the Director will make a final determination of each Enterprise's performance under each single-family housing goal and subgoal and each multifamily housing goal and subgoal. The final determination will address whether an Enterprise has failed, or there is a substantial probability that an Enterprise will fail, to meet any housing goal or subgoal and whether the achievement of that housing goal or subgoal was or is feasible.

(b) *Notice of final determination.* The Director will provide each Enterprise with written notification of the final determination. If the Enterprise fails to meet any housing goal or subgoal, the notification will specify whether the Enterprise is required to submit a housing plan for approval under § 1282.22.

10. Revise newly redesignated § 1282.22 to read as follows:

§ 1282.22 Housing plans.

(a) *General.* If the Director determines that an Enterprise has failed, or that there is a substantial probability that an Enterprise will fail, to meet any housing goal or subgoal, and that the achievement of the housing goal or subgoal was or is feasible, the Director may require the Enterprise to submit a housing plan for approval by the Director.

(b) *Measurement buffers for 2025-2027.* (1) Except as provided in paragraph (b)(3) of this section, the Director will not require an Enterprise to submit a housing plan based on the Enterprise's failure to meet the single-family low-income families housing goal, the single-family very low-income families housing goal, or the single-family refinancing housing goal for the years 2025, 2026, or 2027, if:

(i) The share of the market as defined in § 1282.12(b) for the applicable goal is lower than the benchmark level for the goal; and

(ii) The Enterprise's performance meets or exceeds the share of the market minus the measurement buffer for the applicable goal as defined in paragraph (b)(2) of this section.

(2) The following measurement buffers apply for the years 2025, 2026, and 2027:

(i) For the single-family low-income families housing goal, 1.3 percentage points;

(ii) For the single-family very low-income families housing goal, 0.5 percentage points; and

(iii) For the single-family refinancing housing goal, 1.3 percentage points.

(3) The measurement buffers in this paragraph (b) will not apply to a goal in 2027 if the Enterprise failed to meet that goal for each of the previous two years.

(c) *Nature of plan.* If the Director requires a housing plan, the housing plan must:

(1) Be feasible;

(2) Be sufficiently specific to enable the Director to monitor compliance periodically;

(3) Describe the specific actions that the Enterprise will take in a time period determined by the Director to improve the Enterprise's performance under the housing goal or subgoal; and

(4) Address any additional matters relevant to the plan as required, in writing, by the Director.

(d) *Deadline for submission.* The Enterprise shall submit the housing plan to the Director within 45 days after issuance of a notice requiring the Enterprise to submit a housing plan. The Director may extend the deadline for submission of a plan, in writing and for a time certain, to the extent the Director determines an extension is necessary.

(e) *Review of housing plans.* The Director shall review and approve or disapprove housing plans in accordance with 12 U.S.C. 4566(c)(4) and (c)(5).

(f) *Resubmission.* If the Director disapproves an initial housing plan submitted by an Enterprise, the Enterprise shall submit an amended plan for approval or disapproval not later than 15 days after the Director's disapproval of the initial plan; the Director may extend the deadline if the Director determines an extension is in the public interest. If an amended plan is not acceptable to the Director, the Director may afford the Enterprise 15 days to submit additional amendments to its plan for approval or disapproval.

(g) *Enforcement of housing plans.* If the Director requires an Enterprise to submit a housing plan and the Enterprise refuses to submit such a plan, submits an unacceptable plan, or fails to comply with the plan, the Director may issue a cease and desist order in accordance with 12 U.S.C. 4581, impose civil money penalties in accordance with 12 U.S.C. 4585, or take any other action that the Director determines to be appropriate, consistent with the Safety and Soundness Act.

Sandra L. Thompson,

Director, Federal Housing Finance Agency.

[FR Doc. 2024-30793 Filed: 12/27/2024 8:45 am; Publication Date: 12/30/2024]